

# Original Application

Vanderbilt University  
Medical Center

CN1807-030

JUL 13 '18 PM 12:40

July 13, 2018

Melanie M. Hill, Executive Director  
Tennessee Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243

RE: CON Application Submittal

Dear Ms. Hill:

Enclosed please find an original and two copies of a Certificate of Need application for Vanderbilt University Medical Center (VUMC). A check for the filing fee of \$20,226.71 is also enclosed.

Please let me know if you have questions and/ or need additional information.

Respectfully,



C. Wright Pinson, M.B.A, M.D.  
Deputy Chief Executive Officer, VUMC

Cc: Ginna Felts, Vice President, Business Development, VUMC



State of Tennessee

Health Services and Development Agency

Andrew Jackson Building, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364 Fax: 615-741-9884

615-741-9884

CERTIFICATE OF NEED APPLICATION

SECTION A: APPLICANT PROFILE

1. Name of Facility, Agency, or Institution

Vanderbilt University Medical Center

Name

unaddressed site located on the east side of Garrison Drive, approximately 250' SW of the

intersection of Garrison Drive and West College Street

Street or Route

Rutherford

County

Murfreesboro

City

TN

State

37232

Zip Code

Website address: [www.vanderbilthealth.com](http://www.vanderbilthealth.com)

Note: The facility's name and address **must be** the name and address of the project and **must be** consistent with the Publication of Intent.

2. Contact Person Available for Responses to Questions

Ginna Felts

Name

Vice President

Title

Vanderbilt University Medical Center

Company Name

[ginna.felts@vumc.org](mailto:ginna.felts@vumc.org)

Email address

3319 West End Avenue, Suite 920

Street or Route

Nashville

City

TN

State

37203

Zip Code

Employee

615-936-6012

615-936-5310

**NOTE:** **Section A** is intended to give the applicant an opportunity to describe the project. **Section B** addresses how the project relates to the criteria for a Certificate of Need by addressing: Need, Economic Feasibility, Contribution to the Orderly Development of Health Care, and Quality Measures.

Please answer all questions on **8½" X 11" white paper, clearly typed and spaced, single or double-sided, in order and sequentially numbered. In answering, please type the question and the response.** All questions must be answered. If an item does not apply, please indicate "N/A" (not applicable). **Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment, i.e., Attachment A.1, A.2, etc. The last page of the application should be a completed signed and notarized affidavit.**

### **3. SECTION A: EXECUTIVE SUMMARY**

#### **A. Overview**

Please provide an overview not to exceed three pages in total explaining each numbered point.

##### **1) Description**

**RESPONSE:** Vanderbilt University Medical Center is composed of the facilities commonly referred to as the Vanderbilt University Hospital, the Monroe Carell Jr. Children's Hospital at Vanderbilt, and Vanderbilt Psychiatric Hospital. These facilities operate under one hospital license as Vanderbilt University Medical Center (VUMC).

Specifically, the Monroe Carell Jr. Children's Hospital at Vanderbilt (MCJCHV) was constructed in 2004. Since 2004, it has experienced significant growth in demand for pediatric inpatient, outpatient, and ancillary services.

MCJCHV's reputation for excellence contributes to the significant growth in demand for pediatric services. MCJCHV continues to appear on multiple national awards lists. In 2018, Monroe Carell Jr. Children's Hospital at Vanderbilt was again named one of the nation's best children's hospitals by *U.S. News & World Report*. Children's Hospital is the only pediatric hospital in Tennessee receiving national rankings for 10 out of 10 of its pediatric specialty programs in the magazine's 2017-2018 Best Children's Hospitals rankings.

In order to meet the growing demands for outpatient subspecialty care and to make services more accessible, MCJCHV has established thirteen (13) offsite subspecialty clinics in Middle Tennessee, closer to patients and their families. In 2017, MCJCHV opened a multispecialty outpatient clinic in Murfreesboro, with 10 subspecialties (8 of which are nationally ranked) as well as ancillary teams providing imaging and audiology services. This clinic has experienced tremendous growth, more than quadrupling volumes since the first year of operation. As a result, a larger outpatient facility is being constructed in Murfreesboro in order to meet the needs of pediatric patients.

This application seeks approval to initiate pediatric MRI services at the Murfreesboro outpatient campus of MCJCHV. The proposed MRI will support the practices of the pediatric subspecialists at this location. In addition, the MRI will be a convenient alternative to pediatric patients from



many locations who otherwise would schedule an outpatient MRI and travel to the main campus of MCJCHV.

MCJCHV was recently approved to add a third pediatric MRI on the main campus (CN1705-016). However, even with the addition of this MRI, the demands of the emergency department and inpatient units will continue to make it difficult for outpatient MRI scans to be scheduled in a timely manner, consistent with the expectation of families of children who need an MRI. The addition of this MRI will support the clinical growth of pediatric services and the subspecialty programs available in Murfreesboro and make pediatric MRI imaging more convenient and accessible to the region.

2) Ownership structure;

**RESPONSE:** Vanderbilt University Medical Center owns the Vanderbilt University Hospital, the Monroe Carell Jr. Children's Hospital at Vanderbilt, and Vanderbilt Psychiatric Hospital. These facilities operate under one hospital license as Vanderbilt University Medical Center (VUMC). This facility will operate as an outpatient department of VUMC.

3) Service area;

**RESPONSE:** The service area is based on (1) the counties that are the source of most of the patients at the MCJCHV clinic in Murfreesboro (Bedford, Cannon, Coffee, Franklin, Rutherford, and Warren counties), and (2) the counties that have convenient access to Murfreesboro via I-24 and I-840, which is connected to I-40 and I-65 (Davidson, Lawrence, Lewis, Lincoln, Marshall, Maury, Moore, Putnam, Smith, Wayne, Williamson and Wilson counties). Some of the patients who reside in the latter category of counties will choose to schedule an MRI at the Murfreesboro location rather than MCJCHV because of convenience and availability.

4) Existing similar service providers;

**RESPONSE:** MCJCHV is Middle Tennessee's only comprehensive children's hospital and quaternary referral with dedicated subspecialty care. There are no other dedicated pediatric MRI providers in the service area, and this center will increase the availability of these specialized pediatric services in a location convenient for patients and families. There are 13 MRI providers in the primary service area and an additional 50 MRI providers in the secondary service area. However, this will be the only MRI in the service area with dedicated pediatric anesthesiology for sedated MRIs, other than MCJCHV.

5) Project cost;

**RESPONSE:** The cost of the project is \$3,537,915.71.

6) Funding;

**RESPONSE:** The funding for this project will be cash reserves.

7) Financial Feasibility including when the proposal will realize a positive financial margin; and

**RESPONSE:** The project will be funded by VUMC, which is and will remain financially viable.

8) Staffing.

**RESPONSE:** The resources required for this service will include the addition of 2 MRI technicians, 1 Certified Registered Nurse Anesthetist (CRNA), and 1 Registered Nurse (RN).

## **B. Rationale for Approval**

A certificate of need can only be granted when a project is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of adequate and effective health care in the service area. This section should provide rationale for each criterion using the data and information points provided in Section B. of this application. Please summarize in one page or less each of the criteria:

1) Need;

**RESPONSE:** MCJCHV has two existing dedicated pediatric MRIs with very high utilization. In FY17, these MRIs performed 9,818 procedures, or approximately 4,909 per MRI. The demand for MRI volumes at MCJCHV continues to exceed capacity guidelines outlined in the State Health Plan, even taking into account the third MRI that will be added later this year.

The addition of this MRI at the Murfreesboro location will provide patients a convenient option for their outpatient MRIs. The proposed MRI will support the practices of the pediatric subspecialists at the Murfreesboro outpatient campus of MCJCHV. In addition, the MRI will be a convenient alternative to pediatric patients who otherwise would schedule an outpatient MRI and travel to the main campus of MCJCHV.

MCJCHV was recently approved to add a third pediatric MRI on the main campus (CN1705-016). However, even with the addition of this MRI, the demands of the emergency department and inpatient units will continue to make it difficult for outpatient MRI scans to be scheduled in a timely manner consistent with patient expectations.

2) Economic Feasibility;

**RESPONSE:** The project will be funded through cash reserves of VUMC, which is and will remain financially viable.

3) Appropriate Quality Standards; and

**RESPONSE:** The project will meet all applicable quality of care standards and it will be accredited by the American College of Radiology.

4) Orderly Development to adequate and effective health care.

**RESPONSE:** The project will contribute to the orderly development of adequate and effective pediatric health care. The addition of this MRI will continue to support the clinical growth MCJCHV and its' subspecialty programs in a location convenient for patients and families. It will improve access to outpatient MRI services for pediatric patients that are currently traveling to main campus. Outpatient MRIs are scheduled through a centralized scheduling process, so families will have the Murfreesboro location as a convenient alternative.

### **C. Consent Calendar Justification**

If Consent Calendar is requested, please provide the rationale for an expedited review.

A request for Consent Calendar must be in the form of a written communication to the Agency's Executive Director at the time the application is filed.

#### 4. SECTION A: PROJECT DETAILS

##### Owner of the Facility, Agency or Institution

A.

Vanderbilt University Medical Center  
Name

Phone Number

1121 Medical Center Drive  
Street or Route

Davidson  
County

Nashville  
City

TN  
State

37232  
Zip Code

##### B. Type of Ownership of Control (Check One)

A. Sole Proprietorship

B. Partnership

C. Limited Partnership

D. Corporation (For Profit)

E. Corporation (Not-for-Profit)

☒

F. Government (State of TN or  
Political Subdivision)

G. Joint Venture

H. Limited Liability Company

I. Other (Specify)

Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence. Please provide documentation of the active status of the entity from the Tennessee Secretary of State's web-site at <https://tnbear.tn.gov/ECommerce/FilingSearch.aspx>. **Attachment Section A.4A.**

**Describe** the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% ownership (direct or indirect) interest.

**RESPONSE:** VUMC is a not-for-profit corporation organized under the laws of the State of Tennessee. VUMC has no members, is board governed, and is tax-exempt organization under section 501(c)3 of the Internal Revenue Code.

##### 5. Name of Management/Operating Entity (If Applicable)

Name

Street or Route

County

City

State

Zip Code

Website address:

**6A. Legal Interest in the Site of the Institution (Check One)**

- |                                 |                   |                    |                   |
|---------------------------------|-------------------|--------------------|-------------------|
| A. Ownership                    | <u>  X  </u>      | D. Option to Lease | <u>          </u> |
| B. Option to Purchase           | <u>          </u> | E. Other (Specify) | <u>          </u> |
| C. Lease of <u>      </u> Years | <u>          </u> |                    |                   |

**Check appropriate line above:** For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements **must include** anticipated purchase price. Lease/Option to Lease Agreements **must include** the actual/anticipated term of the agreement **and** actual/anticipated lease expense. The legal interests described herein **must be valid** on the date of the Agency's consideration of the certificate of need application.

**RESPONSE:** Please see Attachment A.6A.

**6B. Attach a copy of the site's plot plan, floor plan, and if applicable, public transportation route to and from the site** on an 8 1/2" x 11" sheet of white paper, single or double-sided. **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

- 1) Plot Plan **must include:**
  - a. Size of site (*in acres*);
  - b. Location of structure on the site;
  - c. Location of the proposed construction/renovation; and
  - d. Names of streets, roads or highway that cross or border the site.
- 2) Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. On an 8 ½ by 11 sheet of paper or as many as necessary to illustrate the floor plan.
- 3) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

**RESPONSE:** This dedicated pediatric center will increase the availability of these specialized pediatric services in a location convenient for patients and families with access to the major transportation routes including Highways I-24 and I-840. The City of Murfreesboro Transportation Department is responsible for the administration and operation of public transportation service (Rover) within the City of Murfreesboro. There is a route that runs in close proximity to the site.

**RESPONSE:**

Attachment A.6B.1 and Attachment A.6B.2.

**7. Type of Institution (Check as appropriate--more than one response may apply)**

- |  |  |
|--|--|
| A. Hospital (Specify) <u>Hospital</u> <u>X</u> | H. Nursing Home _____                      |
| <u>Outpatient Department</u>                   | I. Outpatient Diagnostic Center _____      |
| B. Ambulatory Surgical Treatment _____         | J. Rehabilitation Facility _____           |
| Center (ASTC), Multi-Specialty _____           | K. Residential Hospice _____               |
| C. ASTC, Single Specialty _____                | L. Nonresidential Substitution-Based _____ |
| D. Home Health Agency _____                    | Treatment Center for Opiate _____          |
| E. Hospice _____                               | Addiction _____                            |
| F. Mental Health Hospital _____                | M. Other (Specify) _____                   |
| G. Intellectual Disability Institutional _____ | _____                                      |
| Habilitation Facility ICF/IID _____            |  |

Check appropriate lines(s).

**8. Purpose of Review (Check appropriate lines(s) – more than one response may apply)**

- |   |   |
|---|---|
| A. New Institution _____                      | F. Change in Bed Complement [ <i>Please</i> _____ |
| B. Modifying an ASTC with limitation _____    | <i>note the type of change by</i> _____           |
| C. Addition of MRI Unit _____                 | <i>underlining the appropriate</i> _____          |
| D. Pediatric MRI <u>X</u>                     | <i>response: Increase, Decrease,</i> _____        |
| E. Initiation of Health Care Service as _____ | <i>Designation, Distribution,</i> _____           |
| defined in T.C.A. §68-11-1607(4) _____        | <i>Conversion, Relocation]</i> _____              |
| (Specify) _____                               | G. Satellite Emergency Dept. _____                |
|   | H. Change of Location _____                       |
|   | I. Other (Specify) _____                          |
|   | _____   |

**9. Medicaid/TennCare, Medicare Participation**

MCO Contracts [Check all that apply]

X AmeriGroup X United Healthcare Community Plan X BlueCare X TennCare Select

Medicare Provider Number 440039: Acute

Medicaid Provider Number 0440039: Acute

Certification Type Inpatient Facility

**If a new facility, will certification be sought for Medicare and/or Medicaid/TennCare?**

Medicare \_\_Yes \_\_No X N/A      Medicaid/TennCare \_\_Yes \_\_No X N/A

10. **Bed Complement Data:**

A. Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Licensed</u>	<u>Beds Staffed</u>	<u>Beds Proposed</u>	<u>*Beds Approved</u>	<u>**Beds Exempted</u>	<u>TOTAL Beds at Completion</u>
1) Medical	288	288	-	39	-	327
2) Surgical	131	131	-	-	-	131
3) ICU/CCU (includes PICU)	265	265	-	28	68	361
4) Obstetrical	50	50	-	23	-	73
5) NICU	96	96	-	22	-	118
6) Pediatric	129	129	-	-	-	129
7) Adult Psychiatric	64	64	-	14	-	78
8) Geriatric Psychiatric	-	-	-	-	-	-
9) Child/Adolescent Psychiatric	28	28	-	-	-	28
10) Rehabilitation	-	-	-	-	-	-
11) Adult Chemical Dependency	-	-	-	-	-	-
12) Child/Adolescent Chemical Dependency	-	-	-	-	-	-
13) Long-Term Care Hospital	-	-	-	-	-	-
14) Swing Beds	-	-	-	-	-	-
15) Nursing Home – SNF (Medicare only)	-	-	-	-	-	-
16) Nursing Home – NF (Medicaid only)	-	-	-	-	-	-
17) Nursing Home – SNF/NF (dually certified Medicare/Medicaid)	-	-	-	-	-	-
18) Nursing Home – Licensed (non-certified)	-	-	-	-	-	-
19) ICF/IID	-	-	-	-	-	-
20) Residential Hospice	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,051</b>	<b>1,051</b>	<b>-</b>	<b>126</b>	<b>68</b>	<b>1,245</b>

B. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the applicant facility's existing services.

**RESPONSE: Not applicable**

C. Please identify all the applicant's outstanding Certificate of Need projects that have a licensed bed change component. If applicable, complete chart below.

<u>CON Number(s)</u>	<u>CON Expiration Date</u>	<u>Total Licensed Beds Approved</u>
CN710-075	November 1, 2020	105
CN1406-021	November 1, 2020	108
CN1602-010	June 1, 2019	0
CN1705-016	October 1, 2020	0
CN1803-016	TBD	14

**11. Home Health Care Organizations** – Home Health Agency, Hospice Agency (excluding Residential Hospice), identify the following by checking all that apply: **Not applicable**

	Existing Licensed County	Parent Office County	Proposed Licensed County		Existing Licensed County	Parent Office County	Proposed Licensed County
Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lauderdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bedford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lawrence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Benton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lewis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bledsoe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Lincoln	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Loudon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McMinn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Campbell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	McNairy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cannon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Macon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carroll	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Madison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cheatham	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Marshall	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chester	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Maury	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Claiborne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Meigs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Monroe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cocke	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Montgomery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Coffee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Moore	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Crockett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Morgan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumberland	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Obion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Davidson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Overton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decatur	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Perry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DeKalb	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pickett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dickson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Polk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Putnam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fayette	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rhea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fentress	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Roane	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Franklin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Robertson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gibson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Rutherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Giles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Scott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grainger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sequatchie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Greene	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sevier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grundy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Shelby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamblen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Smith	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hamilton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Stewart	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sullivan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardeman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Sumner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hardin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Tipton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hawkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Trousdale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Haywood	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Unicoi	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Union	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Henry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Van Buren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hickman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Washington	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Humphreys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wayne	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Weakley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jefferson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	White	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Johnson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Williamson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Knox	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Wilson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lake	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				

## 12. Square Footage and Cost Per Square Footage Chart

Unit/Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage						
					Renovated	New	Total				
Control						216	216				
MRI Vestibule						140	140				
MRI						529	529				
Patient Toilet/ Dress						87	87				
MRI Equipment						110	110				
Unit/Department GSF Sub-Total						1,082	1,082				
Other GSF Total						-	-				
Total GSF						1,082	1,082				
*Total Cost						\$412,237	\$412,237				
**Cost Per Square Foot						\$380	\$380				
<p>Cost per Square Foot Is Within Which Range (For quartile ranges, please refer to the Applicant's Toolbox on <a href="http://www.tn.gov/hsda">www.tn.gov/hsda</a>)</p>					<input type="checkbox"/> Below 1 <sup>st</sup> Quartile	<input type="checkbox"/> Below 1 <sup>st</sup> Quartile	<input type="checkbox"/> Below 1 <sup>st</sup> Quartile				
					<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile	<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile	<input type="checkbox"/> Between 1 <sup>st</sup> and 2 <sup>nd</sup> Quartile				
					<input type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	<input checked="" type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile	<input checked="" type="checkbox"/> Between 2 <sup>nd</sup> and 3 <sup>rd</sup> Quartile				
					<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile	<input type="checkbox"/> Above 3 <sup>rd</sup> Quartile				

\* The Total Construction Cost should equal the Construction Cost reported on line A5 of the Project Cost Chart.

\*\* Cost per Square Foot is the construction cost divided by the square feet. Please do not include contingency costs.



### 13. MRI, PET, and/or Linear Accelerator

1. Describe the acquisition of any Magnetic Resonance Imaging (MRI) scanner that is adding a MRI scanner in counties with population less than 250,000 or initiation of pediatric MRI in counties with population greater than 250,000 and/or

**RESPONSE: This project is for the addition of a dedicated pediatric MRI to be located at the Murfreesboro outpatient campus of MCJCHV.**

2. Describe the acquisition of any Positron Emission Tomographer (PET) or Linear Accelerator if initiating the service by responding to the following:

**RESPONSE: Not applicable.**

#### A. Complete the chart below for acquired equipment.

<input type="checkbox"/> Linear Accelerator	Mev _____	Types: _____	<input type="checkbox"/> SRS <input type="checkbox"/> IMRT <input type="checkbox"/> IGRT <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____
	Total Cost*: _____	<input type="checkbox"/> New <input type="checkbox"/> Refurbished	
<input checked="" type="checkbox"/> MRI	Tesla: <u>1.5</u>	Magnet: <input type="checkbox"/> Breast <input type="checkbox"/> Extremity <input type="checkbox"/> Open <input type="checkbox"/> Short Bore <input type="checkbox"/> Other _____ <input type="checkbox"/> By Purchase <input checked="" type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____	
	Total Cost*: <u>\$1,793,906</u>	<input checked="" type="checkbox"/> New <input type="checkbox"/> Refurbished	
<input type="checkbox"/> PET	<input type="checkbox"/> PET only <input type="checkbox"/> PET/CT <input type="checkbox"/> PET/MRI <input type="checkbox"/> By Purchase <input type="checkbox"/> By Lease   Expected Useful Life (yrs) _____ <input type="checkbox"/> If not new, how old? (yrs) _____		
	Total Cost*: _____	<input type="checkbox"/> New <input type="checkbox"/> Refurbished	

\* As defined by Agency Rule 0720-9-.01(13)

- B. In the case of equipment purchase, include a quote and/or proposal from an equipment vendor. In the case of equipment lease, provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments along with the fair market value of the equipment.

**RESPONSE: Please see Attachment A.13.B.**

- C. Compare lease cost of the equipment to its fair market value. Note: Per Agency Rule, the higher cost must be identified in the project cost chart.

**RESPONSE: The fair market value of the equipment is equal to the purchase price (\$1,793,906), and the sum of the lease payments (\$1,572,120) will be less than the purchase price.**

- D. Schedule of Operations:

**RESPONSE: Please find the completed chart below.**

Location	Days of Operation (Sunday through Saturday)	Hours of Operation (example: 8 am – 3 pm)
<b>Fixed Site (Applicant)</b>	<b>Monday - Friday</b>	<b>8am – 5pm</b>
Mobile Locations		
(Applicant)		
(Name of Other Location)		
(Name of Other Location)		

E. Identify the clinical applications to be provided that apply to the project.

**RESPONSE:** The top MRI clinical applications are provided in the chart below.

CPT Code	Description
70553	MRI Brain w & wo Contrast
70551	MRI Brain wo Contrast
72148	MRI Lumbar SP wo Contrast
72141	MRI Cervical SP wo Contrast
72146	MRI Thoracic SP wo Contrast
73721	MRI Lower Extremity
73221	MRI Upper Extremity
70543	MRI Brain and Orbit
74183	MRE

F. If the equipment has been approved by the FDA within the last five years provide documentation of the same.

**RESPONSE:** Attachment A.13.F.

## **SECTION B: GENERAL CRITERIA FOR CERTIFICATE OF NEED**

In accordance with T.C.A. § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, will provide health care that meets appropriate quality standards, and will contribute to the orderly development of health care." Further standards for guidance are provided in the State Health Plan developed pursuant to T.C.A. § 68-11-1625.

The following questions are listed according to the four criteria: (1) Need, (2) Economic Feasibility, (3) Applicable Quality Standards, and (4) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper, single-sided or double sided. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer, unless specified otherwise. ***If a question does not apply to your project, indicate "Not Applicable (NA)."***

### **QUESTIONS**

#### **SECTION B: NEED**

- A. Provide a response to each criterion and standard in Certificate of Need Categories in the State Health Plan that are applicable to the proposed project. Criteria and standards can be obtained from the Tennessee Health Services and Development Agency or found on the Agency's website at <http://www.tn.gov/hsda/article/hsda-criteria-and-standards>.

**RESPONSE:** The Magnetic Resonance Imaging criteria and standards are applicable to this application.

1. **Utilization Standards for non-Specialty MRI Units.**

- a. An applicant proposing a new non-Specialty stationary MRI service should project a minimum of at least 2160 MRI procedures in the first year of service, building to a minimum of 2520 procedures per year by the second year of service, and building to a minimum of 2880 procedures per year by the third year of service and for every year thereafter.

**RESPONSE:** MCJHV believes this criterion is not applicable, considering that the MRI will serve only pediatric patients. In the first full year of operations, MCJCHV projects performing 1,722 MRI procedures, followed by 1,733 MRI procedures in Year 2 and 1,770 MRI procedures in Year 3.

- b. Providers proposing a new non-Specialty mobile MRI service should project a minimum of at least 360 mobile MRI procedures in the first year of service per day of operation per week, building to an annual minimum of 420 procedures per day of operation per week by the second year of service, and building to a minimum of 480 procedures per day of operation per week by the third year of service and for every year thereafter.

**RESPONSE:** Not applicable

- c. An exception to the standard number of procedures may occur as new or improved technology and equipment or new diagnostic applications for MRI units are developed. An applicant must demonstrate that the proposed unit offers a unique and necessary technology for the provision of health care services in the Service Area.

**RESPONSE:** MCJCHV qualifies as an exception to the standard number of procedures due to the specialized use of the MRI technology for pediatric patients in a dedicated pediatric facility. There are no other dedicated pediatric MRI providers in the service area, and this center will increase the availability of these specialized pediatric services in a location convenient for patients and families who currently travel to main campus for their MRI procedures.

This MRI will be staffed by MCJCHV's specially trained personnel, including pediatric anesthesiologists, pediatric radiologists, and child life specialists, who understand the developmental aspects of imaging children. For pediatric MRI procedures, it typically takes at

least 45 minutes but sometimes up to several hours long. These patients often have trouble keeping still and require anesthesia and/ or sedation. Many patients that require needing this include, but are not limited to, younger age, immaturity, developmental delays, claustrophobia, pain and longer scan times.

- d. Mobile MRI units shall not be subject to the need standard in paragraph 1b if fewer than 150 days of service per year are provided at a given location. However, the applicant must demonstrate that existing services in the applicant's Service Area are not adequate and/or that there are special circumstances that require these additional services.

**RESPONSE: Not applicable**

- e. Hybrid MRI Units. The HSDA may evaluate a CON application for an MRI "hybrid" Unit (an MRI Unit that is combined/utilized with another medical equipment such as a megavoltage radiation therapy unit or a positron emission tomography unit) based on the primary purposes of the Unit.

**RESPONSE: Not applicable**

2. Access to MRI Units. All applicants for any proposed new MRI Unit should document that the proposed location is accessible to approximately 75% of the Service Area's population. Applications that include non-Tennessee counties in their proposed Service Areas should provide evidence of the number of existing MRI units that service the non-Tennessee counties and the impact on MRI unit utilization in the non-Tennessee counties, including the specific location of those units located in the non-Tennessee counties, their utilization rates, and their capacity (if that data are available).

**RESPONSE: The proposed MRI will provide additional, convenient access for patients located in the defined service area. Patients from the service area are currently traveling to main campus for outpatient MRI procedures. The proposed MRI will increase the availability of these specialized pediatric services in a location convenient for patients and families.**

3. Economic Efficiencies. All applicants for any proposed new MRI Unit should document that alternate shared services and lower cost technology applications have been investigated and found less advantageous in terms of accessibility, availability, continuity, cost, and quality of care.

**RESPONSE: There are no alternative technologies that be equivalent to the proposed MRI. Technology advancements have contributed to the image clarity in MRI have allowed for sharper imaging of anatomy. New receivers (coils) have allowed for increased usage in the form of new body parts imaged. These components have provided clinicians the ability to forego other imaging procedures and utilize MRI in many incidences. This use of non-ionizing radiation is also safer for the child.**

4. Need Standard for non-Specialty MRI Units.

A need likely exists for one additional non-Specialty MRI unit in a Service Area when the combined average utilization of existing MRI service providers is at or above 80% of the total capacity of 3600 procedures, or 2880 procedures, during the most recent twelve-month period reflected in the provider medical equipment report maintained by the HSDA. The total capacity per MRI unit is based upon the following formula:

Stationary MRJ Units:  $1.20 \text{ procedures per hour} \times \text{twelve hours per day} \times 5 \text{ days per week} \times 50 \text{ weeks per year} = 3,600 \text{ procedures per year}$

Mobile MRI Units:  $\text{Twelve (12) procedures per day} \times \text{days per week in operation} \times 50 \text{ weeks per year}$ . For each day of operation per week, the optimal efficiency is 480 procedures per year, or 80 percent of the total capacity of 600 procedures per year.

**RESPONSE: Please find the chart below providing MRI utilization in the proposed service area from 2014--2016, the most recent verified data available from the Health Services and Development Agency,**

**Medical Equipment Registry.** This registry indicates that in 2016, the number of fixed and fixed (shared) MRIs available in the primary and secondary service areas were 91. However, of these reported, only those at MCJCHV are dedicated solely to the pediatric population. In FY18, the two MRIs at MCJCHV performed 9,818 procedures, or approximately 4,909 per MRI. Even with the addition of the third MRI to be available in winter 2018, the demands of the inpatient and emergency department volumes will keep the per machine utilization well above the optimal capacity of 2,880 per machine defined in the State Health Plan. The high demand for pediatric subspecialty care coupled with the consistent increase in MRI procedure volumes result in the need for more MRI capacity at MCJCHV.

County	2014			2015			2016		
	Sum of Total Procedures	Sum of Number of	Procedures Per MRI in County	Sum of Total Procedures	Sum of Number of	Procedures Per MRI in County	Sum of Total Procedures	Sum of Number of	Procedures Per MRI in County
Bedford	1,148	1	1,148	1,199	1	1,199	1,318	1	1,318
Cannon	286	1	286	261	1	261	271	1	271
Coffee	2,293	1	2,293	4,225	3	1,408	4,579	3	1,526
Davidson	133,428	49	2,723	138,392	49	2,824	142,682	48	2,973
Franklin	2,561	2	1,281	2,634	2	1,317	2,841	2	1,421
Lawrence	1,450	1	1,450	1,413	1	1,413	1,300	1	1,300
Lincoln	989	1	989	1,162	1	1,162	1,178	1	1,178
Marshall	720	1	720	733	1	733	808	1	808
Maury	11,505	5	2,301	12,423	5	2,485	13,506	5	2,701
Putnam	15,102	5	3,020	15,259	5	3,052	15,389	5	3,078
Rutherford	25,300	10	2,530	28,106	11	2,555	31,918	11	2,902
Smith	669	1	669	635	1	635	556	1	556
Warren	2,268	1	2,268	1,171	1	1,171	1,790	1	1,790
Williamson	14,008	5	2,802	15,097	5	3,019	16,334	5	3,267
Wilson	8,073	5	1,615	7,920	5	1,584	9,908	5	1,982
<b>Service Area Total</b>	<b>219,800</b>	<b>89</b>	<b>2,470</b>	<b>230,630</b>	<b>92</b>	<b>2,507</b>	<b>244,378</b>	<b>91</b>	<b>2,685</b>

*\*Source: Health Services and Development Agency, includes all MRI procedures regardless of age*

##### 5. Need Standards for Specialty MRI Units.

**RESPONSE: Not applicable.**

- a. Dedicated fixed or mobile Breast MRI Unit. An applicant proposing to acquire a dedicated fixed or mobile breast MRI unit shall not receive a CON to use the MRI unit for non-dedicated purposes and shall demonstrate that annual utilization of the proposed MRI unit in the third year of operation is projected to be at least 1,600 MRI procedures (.80 times the total capacity of 1 procedure per hour times 40 hours per week times 50 weeks per year), and that:
  - i. It has an existing and ongoing working relationship with a breast-imaging radiologist or radiology proactive group that has experience interpreting breast images provided by mammography, ultrasound, and MRI unit equipment, and that is trained to interpret images produced by an MRI unit configured exclusively for mammographic studies;
  - ii. Its existing mammography equipment, breast ultrasound equipment, and the proposed dedicated breast MRI unit are in compliance with the federal Mammography Quality Standards Act;
  - iii. It is part of or has a formal affiliation with an existing healthcare system that provides comprehensive cancer care, including radiation oncology, medical oncology, surgical oncology and an established breast cancer treatment program that is based in the proposed service area.
  - iv. It has an existing relationship with an established collaborative team for the treatment of breast cancer that includes radiologists, pathologists, radiation oncologists, hematologist/oncologists, surgeons, obstetricians/gynecologists, and primary care providers.

- b. Extremity MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Extremity MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Extremity MRI Unit and a CON granted for this use should so state on its face.
- c. Dedicated fixed or mobile Multi-position MRI Unit. An applicant proposing to institute a Dedicated fixed or mobile Multi-position MRI Unit shall provide documentation of the total capacity of the proposed MRI Unit based on the number of days of operation each week, the number of days to be operated each year, the number of hours to be operated each day, and the average number of MRI procedures the unit is capable of performing each hour. The applicant shall then demonstrate that annual utilization of the proposed MRI Unit in the third year of operation is reasonably projected to be at least 80 per cent of the total capacity. Non-specialty MRI procedures shall not be performed on a Dedicated fixed or mobile Multi-position MRI Unit and a CON granted for this use should so state on its face.

6. Separate Inventories for specialty MRI Units and non-Specialty MRI Units.

If data availability permits, Breast, Extremity, and Multi-position MRI Units shall not be counted in the inventory of non-Specialty fixed or mobile MRI Units, and an inventory for each category of Specialty MRI Unit shall be counted and maintained separately. None of the Specialty MRI Units may be replaced with non-Specialty MRI fixed or mobile MRI Units and a Certificate of Need granted for any of these Specialty MRI Units shall have included on its face a statement to that effect. A non-Specialty fixed or mobile MRI Unit for which a CON is granted for Specialty MRI Unit purpose use-only shall be counted in the specific Specialty MRI Unit inventory and shall also have stated on the face of its Certificate of Need that it may not be used for non-Specialty MRI purposes.

**RESPONSE: VUMC will report these data as requested by the Health Services and Development Agency.**

7. Patient Safety and Quality of Care. The applicant shall provide evidence that any proposed MRI Unit is safe and effective for its proposed use.

- a. The United States Food and Drug Administration (FDA) must certify the proposed MRI Unit for clinical use.

**RESPONSE: Please see attached FDA Approval Letter. Attachment B.Need.A.Magnetic Resonance Imaging.7a**

- b. The applicant should demonstrate that the proposed MRI Procedures will be offered in a physical environment that conforms to applicable federal standards, manufacturer's specifications, and licensing agencies' requirements.

**RESPONSE: This MRI will meet all federal standards, manufacturer's specifications and licensing agencies' requirements.**

- c. The applicant should demonstrate how emergencies within the MRI Unit facility will be managed in conformity with accepted medical practice.

**RESPONSE: All VUMC physicians and clinical staff are trained on pediatric life support. These physicians and clinical staff will be available should there be an emergency within the MRI unit. Medical emergency policies for VUMC are fully documented in institutional policy manuals and utilized in preliminary and ongoing training of physicians and staff.**

- d. The applicant should establish protocols that assure that all MRI Procedures performed are medically necessary and will not unnecessarily duplicate other services.

**RESPONSE: Existing MRI service at MCJCHV utilizes protocol management on all MRI exams performed. All exams are approved by a pediatric radiologist.**

- e. An applicant proposing to acquire any MRI Unit or institute any MRI service, including Dedicated Breast and Extremity MRI Units, shall demonstrate that it meets or is prepared to meet the staffing recommendations and requirements set forth by the American College of Radiology, including staff education and training programs.

**RESPONSE: MCJCHV, through VUMC, is an active participant in the American College of Radiology and follows its proposed staffing recommendations and requirements.**

- f. All applicants shall commit to obtain accreditation from the Joint Commission, the American College of Radiology, or a comparable accreditation authority for MRI within two years following operation of the proposed MRI Unit.

**RESPONSE: All active MRIs at VUMC are accredited by the American College of Radiology. Please see Attachment B.Need.A.Magnetic Resonance Imaging.7f for these existing MRIs. This MRI will also seek such accreditation at the appropriate time.**

- g. All applicants should seek and document emergency transfer agreements with local area hospitals, as appropriate. An applicant's arrangements with its physician medical director must specify that said physician be an active member of the subject transfer agreement hospital medical staff.

**RESPONSE: Emergencies will be transferred to MCJCHV through the dedicated pediatric transport service which is staffed with pediatric trained clinical personnel. Since this will be operated as part of VUMC, a formal transfer agreement is not needed.**

8. The applicant should provide assurances that it will submit data in a timely fashion as requested by the HSDA to maintain the HSDA Equipment Registry.

**RESPONSE: VUMC commits to submitting all requested data to the HSDA in a timely manner.**

9. In light of Rule 0720-11.01, which lists the factors concerning need on which an application may be evaluated, and Principle No.2 in the State Health Plan, "Every citizen should have reasonable access to health care," the HSDA may decide to give special consideration to an applicant:

- Who is offering the service in a medically underserved area as designated by the United States Health Resources and Services Administration;
- Who is a "safety net hospital" or a "children's hospital" as defined by the Bureau of TennCare Essential Access Hospital payment program; or
- Who provides a written commitment of intention to contract with at least one TennCare MCO and, if providing adult services, to participate in the Medicare program; or
- Who is proposing to use the MRI unit for patients that typically require longer preparation and scanning times (e.g., pediatric, special needs, sedated, and contrast agent use patients). The applicant shall provide in its application information supporting the additional time required per scan and the impact on the need standard.

**RESPONSE: MCJCHV is considered a leading children's hospital in the nation, and it is the only children's hospital in Tennessee to be named a Leapfrog Top Hospital for 2016. Children and families seek subspecialty care at MCJCHV from Tennessee and surrounding states. By providing this MRI capability in an accessible location, furthers MCJCHV's commitment to take care of children throughout the state.**

MCJCHV is contracted with all TennCare MCOs. Approximately 40% of the patients seeking care at the Vanderbilt Children's Clinic in Murfreesboro and 46% of patients at MCJCHV are enrolled in TennCare. The addition of this MRI will continue to support the timely availability of care for all pediatric patients, including the significant number who are covered by TennCare.

**CONTINUE, STANDARD APPLICATION**

- B. Describe the relationship of this project to the applicant facility's long-range development plans, if any, and how it relates to related previously approved projects of the applicant.

**RESPONSE:** MCJCHV continues to experience significant growth in demand for pediatric inpatient and outpatient services. Children and families seek subspecialty care at MCJCHV from Tennessee and surrounding states. In order to meet the demands, MCJCHV has initiated the construction on a four (4) story expansion of the hospital to meet the demands for inpatient care. (This project is covered by CN710-075 and CN1406-021). In order to meet the demands for outpatient subspecialty care, MCJCHV has opened a multispecialty clinic in multiple locations, including Murfreesboro, conveniently located to a significant portion of MCJCHV's patient base. The Murfreesboro clinic has with 10 subspecialties (8 of which are nationally ranked) as well as ancillary teams providing x-ray and audiology services. This clinic has seen tremendous growth, more than quadrupling volumes since the first year of operation. As a result, a larger outpatient facility is being constructed in order to meet the additional needs of pediatric patients. The MRI proposed in this application will support both outpatient clinics in Murfreesboro, and it will provide a convenient, timely alternative for patients who otherwise would schedule an MRI at MCJCHV's main campus.

- C. Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map for the Tennessee portion of the service area using the map on the following page, clearly marked to reflect the service area as it relates to meeting the requirements for CON criteria and standards that may apply to the project. Please include a discussion of the inclusion of counties in the border states, if applicable.

**RESPONSE:** Please see the included Service Area Map.

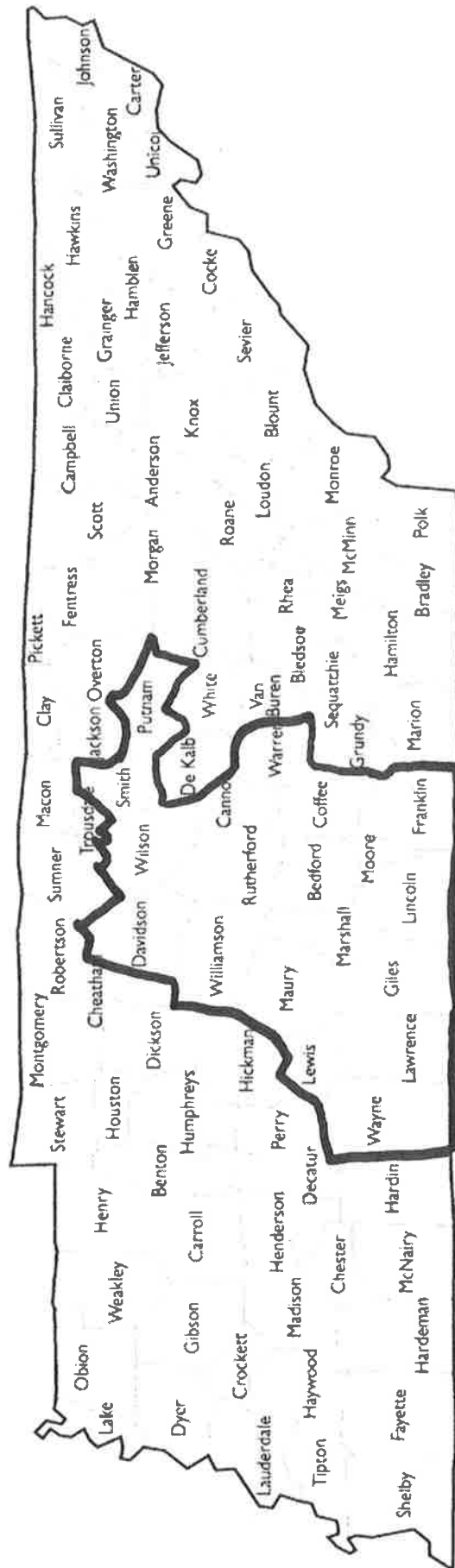
Please complete the following tables, if applicable:

**RESPONSE:** The service area for this project is comprised of the eighteen (18) counties in middle Tennessee. As previously explained, this is reasonable given the current patient origin at the Vanderbilt Children's Clinic in Murfreesboro as well as the ease of access to Murfreesboro via I-24 and I-840.



	Historical Total Outpatient MRI Procedures		Projected Outpatient MRI Procedures at Murfreesboro	
	Volume	% of Total	Volume	% of Total
Bedford	77	1%	52	3%
Cannon	53	1%	20	1%
Coffee	102	1%	54	3%
Davidson	1,395	17%	219	13%
Franklin	60	1%	29	2%
Lawrence	110	1%	46	3%
Lewis	14	0%	8	0%
Lincoln	55	1%	25	1%
Marshall	57	1%	31	2%
Maury	308	4%	149	9%
Moore	8	0%	4	0%
Putnam	144	2%	83	5%
Rutherford	627	8%	389	23%
Smith	29	0%	13	1%
Warren	87	1%	36	2%
Wayne	46	1%	41	2%
Williamson	540	7%	339	20%
Wilson	316	4%	182	11%
Other	4,067	50%	-	0%
Grand Total	8,095	100%	1,722	100%

# County Level Map



- D. 1). a) Describe the demographics of the population to be served by the proposal.

**RESPONSE:** The demographics of the service area will be pediatric patients 0-18 years old. However, similar to main campus, MCJCHV treats patients with congenital diseases. These patients have an established relationship with their provider and are often followed by pediatric subspecialties through their twenties at MCJCHV.

- b) Using current and projected population data from the Department of Health, the most recent enrollee data from the Bureau of TennCare, and demographic information from the US Census Bureau, complete the following table and include data for each county in your proposed service area.

Projected Population Data: <http://www.tn.gov/health/article/statistics-population>

TennCare Enrollment Data: <http://www.tn.gov/tenncare/topic/enrollment-data>

Census Bureau Fact Finder: <http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

**RESPONSE:** Please see the completed chart.

Demographic Variable/Geographic Area	Department of Health/Health Statistics								Bureau of the Census					TennCare		
	Total Population- Current Year 2018	Total Population- Projected Year 2020	Total Population-% Change	*Target Population- Current Year 2018	*Target Population- Projected Year 2020	*Target Population-% Change	Target Population Projected Year as % of Total	Median Age 2016	Median Household Income 2016	Person Below Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees - April 2018	TennCare Enrollees as % of Total (April 2018)	TennCare enrollees as % of 2016 Total Population)		
Bedford	50,860	51,961	2%	13,125	13,304	1%	26%	36.9	\$ 43,819	7,423	15%	12,550		25%		
Cannon	14,658	14,838	1%	2,919	2,882	-1%	19%	42.1	\$ 43,654	2,208	15%	3,175		22%		
Coffee	56,909	57,865	2%	13,275	13,331	0%	23%	40.1	\$ 45,456	8,437	15%	13,629		24%		
Davidson	698,061	714,756	2%	169,096	175,647	4%	25%	34.2	\$ 50,484	114,238	16%	137,832		20%		
Franklin	42,395	42,681	1%	8,397	8,158	-3%	19%	41.9	\$ 44,837	6,397	15%	7,909		19%		
Lawrence	43,518	43,849	1%	10,267	10,184	-1%	23%	39.9	\$ 40,457	8,136	19%	10,824		25%		
Lewis	12,912	13,072	1%	2,752	2,701	-2%	21%	43.6	\$ 36,920	2,384	18%	2,941		23%		
Lincoln	35,104	35,469	1%	7,735	7,672	-1%	22%	42.9	\$ 41,038	6,123	17%	7,541		21%		
Marshall	33,885	34,648	2%	7,799	7,815	0%	23%	39.6	\$ 44,900	4,655	14%	6,949		21%		
Maury	90,666	92,944	3%	21,399	21,695	1%	23%	39.1	\$ 49,597	12,413	14%	18,224		20%		
Moore	6,923	7,056	2%	1,319	1,302	-1%	18%	46.5	\$ 49,496	644	9%	834		12%		
Putnam	81,972	84,087	3%	17,782	18,241	3%	22%	36.1	\$ 36,350	17,180	21%	17,175		21%		
Rutherford	332,411	350,488	5%	84,938	88,890	5%	25%	32.9	\$ 58,032	35,764	11%	51,831		16%		
Smith	20,534	20,833	1%	4,533	4,485	-1%	22%	41.2	\$ 44,272	3,050	15%	4,304		21%		
Warren	41,167	41,446	1%	9,609	9,537	-1%	23%	39.9	\$ 36,245	8,158	20%	11,194		27%		
Wayne	17,551	17,642	1%	3,060	2,975	-3%	17%	41.9	\$ 34,008	2,796	16%	3,285		19%		
Williamson	225,526	241,597	7%	57,493	59,582	4%	25%	39	\$ 100,140	10,547	5%	13,050		6%		
Wilson	133,865	138,561	4%	30,705	30,949	1%	22%	40.3	\$ 63,426	11,266	8%	19,384		14%		
Service Area Total	1,938,917	2,937,650	52%	466,203	479,350	3%	16%	41.3	\$ 43,821	261,819	14%	342,631		18%		
State of TN Total	6,960,524	7,112,424	2%	1,593,359	1,615,456	1%	23%	38.5	\$ 46,574	1,100,169	16%	1,432,475		21%		

\* Target Population is population that project will primarily serve. For example, nursing home, home health agency, hospice agency projects typically primarily serve the Age 65+ population; projects for child and adolescent psychiatric services will serve the Population Ages 0-19. Projected Year is defined in select service-specific criteria and standards. If Projected Year is not defined, default should be four years from current year, e.g., if Current Year is 2016, then default Projected Year is 2020.

- 2) Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

**RESPONSE:** The special needs of the population are pediatric patients, including racial and ethnic minorities as well as low income patients.

- E. Describe the existing and approved but unimplemented services of similar healthcare providers in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. List each provider and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: Admissions or discharges, patient days, average length of stay, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc. This doesn't apply to projects that are solely relocating a service.

**RESPONSE:** There are no other existing or approved but unimplemented pediatric specific MRI projects in the service area. The most recent three years of MRI utilization for MCJCHV is provided below.

**FY15 8,202**

**FY16 8,530**

**FY17 9,818**

- F. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three years and the projected annual utilization for each of the two years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology **must include** detailed calculations or documentation from referral sources, and identification of all assumptions.

MCJCHV has two existing dedicated pediatric MRIs with very high utilization. In FY17, these MRIs performed 9,818 procedures, or approximately 4,909 per MRI. As evident from this chart, the demand for MRI volumes at MCJCHV continues to exceed capacity guidelines outlined in the State Health Plan, even when the third MRI is added later this year. The chart provided below demonstrates the MRI volumes at MCJCHV for the last three years as well as the two years for the project.

	FY15	FY16	FY17	Y1	Y2
<b>Total Procedures</b>	<b>8,202</b>	<b>8,530</b>	<b>9,818</b>	<b>12,813</b>	<b>13,380</b>
<b>Procedures per MRI Unit</b>	<b>4,101</b>	<b>4,265</b>	<b>4,909</b>	<b>3,203</b>	<b>3,345</b>
<b>MRI Units at MCJCHV</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>4</b>	<b>4</b>

The demand projections for this MRI were calculated based on the annual trends of MCJCHV's outpatient MRI procedures from the service area as well as growth of the service area pediatric population. It is assumed that patients and their families will choose to have this MRI closer to their home. This MRI will continue to accommodate the clinical growth of the subspecialty programs, including Neurology, Orthopaedics, Urology, and Gastroenterology, available in Murfreesboro. Because of this growth in the pediatric population coupled with the growth of subspecialties at MCJCHV, these are reasonably conservative projections.

## **SECTION B: ECONOMIC FEASIBILITY**

- A. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
- 1) All projects should have a project cost of at least \$15,000 (the minimum CON Filing Fee). (See Application Instructions for Filing Fee)
  - 2) The cost of any lease (building, land, and/or equipment) should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater. Note: This applies to all equipment leases including by procedure or "per click" arrangements. The methodology used to determine the total lease cost for a "per click" arrangement must include, at a minimum, the projected procedures, the "per click" rate and the term of the lease.
  - 3) The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
  - 4) Complete the Square Footage Chart on page 8 and provide the documentation. Please note the Total Construction Cost reported on line 5 of the Project Cost Chart should equal the Total Construction Cost reported on the Square Footage Chart.
  - 5) For projects that include new construction, modification, and/or renovation—**documentation must be** provided from a licensed architect or construction professional that support the estimated construction costs. Provide a letter that includes the following:
    - a) A general description of the project;
    - b) An estimate of the cost to construct the project;
    - c) A description of the status of the site's suitability for the proposed project; and
    - d) Attesting the physical environment will conform to applicable federal standards, manufacturer's specifications and licensing agencies' requirements including the AIA Guidelines for Design and Construction of Hospital and Health Care Facilities in current use by the licensing authority.

**RESPONSE:** Please see attached Construction Letter. Attachment B.Economic Feasibility.A.5

## PROJECT COST CHART

A. Construction and equipment acquired by purchase:		
1.	Architectural and Engineering Fees	\$53,285
2.	Legal, Administrative (Excluding CON Filing Fee), Consultant Fees	\$25,000
3.	Acquisition of Site	\$11,244
4.	Preparation of Site	\$27,050
5.	Total Construction Costs	\$412,237
6.	Contingency Fund	\$52,882
7.	Fixed Equipment (Not included in Construction Contract)	\$397,250
8.	Moveable Equipment (List all equipment over \$50,000 as separate attachments)	\$5,821
	Anesthesia Machine	\$82,709
9.	Other (Specify) _____	_____
B. Acquisition by gift, donation, or lease:		
1.	Facility (inclusive of building and land)	_____
2.	Building only	_____
3.	Land only	_____
4.	Equipment (Specify) MRI	\$1,793,906
5.	Other (Specify) Service Contract	\$656,305
C. Financing Costs and Fees:		
1.	Interim Financing	_____
2.	Underwriting Costs	_____
3.	Reserve for One Year's Debt Service	_____
4.	Other (Specify) _____	_____
D.	Estimated Project Cost (A+B+C)	\$3,517,689
E.	CON Filing Fee	\$20,226.71
F.	Total Estimated Project Cost (D+E)	\$3,537,915.71
	<b>TOTAL</b>	<b>\$3,537,915.71</b>

B. Identify the funding sources for this project.

Check the applicable item(s) below and briefly summarize how the project will be financed. (**Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment Section B-Economic Feasibility-B.**)

- ☐ 1) Commercial loan – Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ 2) Tax-exempt bonds – Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ 3) General obligation bonds – Copy of resolution from issuing authority or minutes from the appropriate meeting;
- ☐ 4) Grants – Notification of intent form for grant application or notice of grant award;
- ☒ 5) Cash Reserves – Appropriate documentation from Chief Financial Officer of the organization providing the funding for the project and audited financial statements of the organization; and/or
- ☐ 6) Other – Identify and document funding from all other sources.

**RESPONSE: Please see attached Funding Documentation Letter. Attachment B.Economic Feasibility.B,**

C. Complete Historical Data Charts on the following two pages—**Do not modify the Charts provided or submit Chart substitutions!**

Historical Data Chart represents revenue and expense information for the last *three* (3) years for which complete data is available. Provide a Chart for the total facility and Chart just for the services being presented in the proposed project, if applicable. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

# **HISTORICAL DATA CHART**

**X Total VUMC**  
☐ Project Only

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July.

	FY15	FY16	FY17
A. Utilization Data ( <b>MRI Procedures</b> )	30,403	31,180	32,397
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 26,794,830	\$32,152,124	\$ 38,499,711
2. Outpatient Services	76,804,996	95,615,988	101,026,748
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify)	_____	_____	_____
<b>Gross Operating Revenue</b>	<b>\$103,599,826</b>	<b>\$127,768,112</b>	<b>\$139,526,459</b>
C. Deductions from Gross Operating Revenue			
1. Contractual Adjustments	\$86,554,332	\$106,620,171	\$116,910,100
2. Provision for Charity Care	4,585,538	5,648,601	6,193,748
3. Provisions for Bad Debt	939,208	1,156,942	1,268,599
<b>Total Deductions</b>	<b>\$ 92,079,076</b>	<b>\$113,425,714</b>	<b>\$124,372,447</b>
<b>NET OPERATING REVENUE</b>	<b>\$11,520,749</b>	<b>\$14,342,398</b>	<b>\$ 15,154,012</b>
D. Operating Expenses			
1. Salaries and Wages			
a. Direct Patient Care	\$2,430,863	\$2,807,336	\$3,266,335
b. Non-Patient Care	_____	_____	_____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	376,959	510,640	508,215
4. Rent			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
5. Management Fees:			
a. Paid to Affiliates	_____	_____	_____
b. Paid to Non-Affiliates	_____	_____	_____
6. Other Operating Expenses (service contract)	819,940	819,940	819,940
<b>Total Operating Expenses</b>	<b>\$3,627,762</b>	<b>\$ 4,137,916</b>	<b>\$ 4,594,490</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$7,892,987</b>	<b>\$10,204,482</b>	<b>\$10,559,522</b>
F. Non-Operating Expenses			
1. Taxes	\$ _____	\$ _____	\$ _____
2. Depreciation	_____	_____	_____
3. Interest	_____	_____	_____
4. Other Non-Operating Expenses	_____	_____	_____
<b>Total Non-Operating Expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 7,892,987</b>	<b>\$10,204,482</b>	<b>\$10,599,522</b>
<i>Chart Continues Onto Next Page</i>			
<b>NET INCOME (LOSS)</b>	<b>\$7,892,987</b>	<b>\$10,204,482</b>	<b>\$10,599,522</b>



G. Other Deductions

1. Annual Principal Debt Repayment	\$ _____	\$ _____	\$ _____
2. Annual Capital Expenditure	_____	_____	_____
<b>Total Other Deductions</b>	\$ _____	\$ _____	\$ _____
<b>NET BALANCE</b>	\$ _____	\$ _____	\$ _____
<b>DEPRECIATION</b>	\$ _____	\$ _____	\$ _____
<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$7,892,987</b>	<b>\$10,204,482</b>	<b>\$10,599,522</b>

**HISTORICAL DATA CHART-OTHER EXPENSES**

<u><b>OTHER EXPENSES CATEGORIES</b></u>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>
1. Professional Services Contract	\$ _____	\$ _____	\$ _____
2. Contract Labor	\$ _____	\$ _____	\$ _____
3. Imaging Interpretation Fees	\$ _____	\$ _____	\$ _____
4. Equipment Service Maintenance Contract	\$819,940	\$819,940	\$819,940
<u><b>Total Other Expenses</b></u>	<b>\$819,940</b>	<b>\$819,940</b>	<b>\$819,940</b>

- D. Complete Projected Data Charts on the following two pages – **Do not modify the Charts provided or submit Chart substitutions!**

The Projected Data Chart requests information for the two years following the completion of the proposed services that apply to the project. Please complete two Projected Data Charts. One Projected Data Chart should reflect revenue and expense projections for the **Proposal Only** (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility). The second Chart should reflect information for the total facility. **Only complete one chart if it suffices.**

*Note that "Management Fees to Affiliates" should include management fees paid by agreement to the parent company, another subsidiary of the parent company, or a third party with common ownership as the applicant entity. "Management Fees to Non-Affiliates" should include any management fees paid by agreement to third party entities not having common ownership with the applicant.*

# PROJECTED DATA CHART

☐ Total Facility  
☒ Project Only

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July.

	FY21	FY22
A Utilization Data ( <b>MRI Procedures</b> )	1,722	1,733
B Revenue from Services to Patients		
1 Inpatient Services		
2 Outpatient Services	\$7,339,571	\$7,385,639
3 Emergency Services		
4 Other Operating Revenue (Specify) _____		
	<b>Gross Operating Revenue \$7,339,571</b>	<b>\$7,385,639</b>
C Deductions from Gross Operating Revenue		
1 Contractual Adjustments	\$6,009,051	\$6,029,819
2 Provision for Charity Care	55,078	55,268
3 Provisions for Bad Debt	48,843	49,011
	<b>Total Deductions \$6,112,972</b>	<b>\$6,134,098</b>
<b>NET OPERATING REVENUE</b>	<b>\$1,226,599</b>	<b>\$1,251,541</b>
D. Operating Expenses		
1. Salaries and Wages		
a. Direct Patient Care	\$459,439	\$471,384
b. Non-Patient Care		
2. Physician's Salaries and Wages		
3. Supplies	15,618	16,189
4. Rent		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
5. Management Fees:		
a. Paid to Affiliates		
b. Paid to Non-Affiliates		
6. Other Operating Expenses	\$445,685	\$445,685
	<b>Total Operating Expenses \$920,742</b>	<b>\$933,258</b>
E. <b>Earnings Before Interest, Taxes and Depreciation</b>	<b>\$305,858</b>	<b>\$318,282</b>
F. Non-Operating Expenses		
1. Taxes		
2. Depreciation	26,471	26,471
3. Interest		
4. Other Non-Operating Expenses		

	<b>Total Non-Operating Expenses</b>	<b>\$26,471</b>	<b>\$26,471</b>
<b>NET INCOME (LOSS)</b>		<b>\$279,386</b>	<b>\$291,811</b>
<b>NET INCOME (LOSS)</b>		<b>\$ 279,386</b>	<b>\$291,811</b>
G. Other Deductions			
1. Estimated Annual Principal Debt Repayment		\$-	\$-
2. Annual Capital Expenditure		\$-	\$-
	<b>Total Other Deductions</b>	<b>\$0</b>	<b>\$0</b>
	<b>NET BALANCE</b>	<b>\$279,386</b>	<b>\$291,811</b>
	<b>DEPRECIATION</b>	<b>\$ 26,471</b>	<b>\$ 26,471</b>
	<b>FREE CASH FLOW (Net Balance + Depreciation)</b>	<b>\$305,858</b>	<b>\$318,282</b>

☐ Total Facility  
☒ Project Only

#### PROJECTED DATA CHART-OTHER EXPENSES

<u>OTHER EXPENSES CATEGORIES</u>	<b>FY21</b>	<b>FY22</b>
1. <u>Professional Services Contract</u>	\$0	\$0
2. <u>Contract Labor</u>	\$0	\$0
3. <u>Imaging Interpretation Fees</u>	\$0	\$0
4. Equipment Service Maintenance Contract	\$131,261	\$131,261
5. MRI Lease	\$314,424	\$314,424
<b>Total Other Expenses</b>	<b>\$445,685</b>	<b>\$445,685</b>

- E 1) Please identify the project's average gross charge, average deduction from operating revenue, and average net charge using information from the Projected Data Chart for Year 1 and Year 2 of the proposed project. Please complete the following table.

	Previous Year (VUMC Historic)	Current Year (VUMC Historic)	Year One (Project)	Year Two (Project)	% Change (Current Year to Year 2)
<b>Gross Charge</b> ( <i>Gross Operating Revenue/Utilization Data</i> )	\$4,098	\$4,307	\$4,262	\$4,262	-1.1%
<b>Deduction from Revenue</b> ( <i>Total Deductions/Utilization Data</i> )	\$3,638	\$3,839	\$3,550	\$3,540	-7.8%
<b>Average Net Charge</b> ( <i>Net Operating Revenue/Utilization Data</i> )	\$460	\$468	\$712	\$722	54.4%

- 2) Provide the proposed charges for the project and discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the project and the impact on existing patient charges.

**RESPONSE: The proposed project will not impact current charges.**

- 3) Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

**RESPONSE: Please find the chart below comparing the MRI gross charges by providers in the service area. The source is the Health Services and Development Agency, Medical Equipment Registry, CY16.**

County	Provider	Total Procedures	Total Gross Charges	Average Per Procedure
Bedford	Tennova Healthcare - Shelbyville	1,318	\$ 104,082,362	\$ 78,970
Cannon	St. Thomas Stones River Hospital	271	\$ 631,424	\$ 2,330
Coffee	Tennova Healthcare - Harton	2,280	\$ 7,888,803	\$ 3,460
Coffee	Unity Medical Center	2,299	\$ 4,119,232	\$ 1,792
Davidson	Belle Meade Imaging	2,699	\$ 6,149,115	\$ 2,278
Davidson	Elite Sports Medicine & Orthopaedic Center	6,859	\$ 6,500,610	\$ 948
Davidson	Heritage Medical Associates-Murphy Avenue	1,461	\$ 1,230,547	\$ 842
Davidson	Hillsboro Imaging	3,905	\$ 7,382,136	\$ 1,890
Davidson	Hughston Clinic Orthopaedics at Harding Place	5,156	\$ 7,382,274	\$ 1,432
Davidson	Millennium MRI, LLC	313	\$ 731,158	\$ 2,336
Davidson	Nashville General Hospital	1,564	\$ 5,360,587	\$ 3,427
Davidson	Next Generation Imaging, LLC	857	\$ 1,793,088	\$ 2,092
Davidson	One Hundred Oaks Breast Center	934	\$ 3,066,331	\$ 3,283
Davidson	One Hundred Oaks Imaging	8,302	\$ 14,963,453	\$ 1,802
Davidson	Outpatient Diagnostic Center of Nashville	5,260	\$ 8,579,814	\$ 1,631
Davidson	Pain Management Group, PC	3,680	\$ -	\$ -
Davidson	Premier Radiology Belle Meade	6,930	\$ 13,611,731	\$ 1,964
Davidson	Premier Radiology Brentwood	2,517	\$ 4,498,415	\$ 1,787
Davidson	Premier Radiology Hermitage	5,735	\$ 11,003,034	\$ 1,919
Davidson	Premier Radiology Midtown	4,215	\$ 9,765,720	\$ 2,317
Davidson	Premier Radiology Nashville	2,165	\$ 4,232,422	\$ 1,955
Davidson	Premier Radiology St. Thomas West	2,889	\$ 6,381,103	\$ 2,209
Davidson	Specialty MRI	799	\$ 1,466,165	\$ 1,835
Davidson	St. Thomas Midtown Hospital	3,156	\$ 13,405,460	\$ 4,248
Davidson	St. Thomas West Hospital	5,962	\$ 24,850,233	\$ 4,168
Davidson	Tennessee Oncology, PET Services	1,595	\$ 1,343,728	\$ 842
Davidson	Tennessee Orthopaedic Alliance Imaging	8,150	\$ 12,491,255	\$ 1,533
Davidson	TriStar Centennial Medical Center	9,755	\$ 61,929,520	\$ 6,348
Davidson	TriStar Skyline Medical Center	7,155	\$ 48,118,712	\$ 6,725
Davidson	TriStar Southern Hills Medical Center	2,930	\$ 14,982,887	\$ 5,114
Davidson	TriStar Summit Medical Center	4,292	\$ 27,261,237	\$ 6,352
Davidson	TriStar Summit Medical Center - ODC	1,954	\$ 12,389,542	\$ 6,341
Davidson	Vanderbilt University Medical Center	30,797	\$ 129,499,810	\$ 4,205
Franklin	Southern Tennessee Regional Health System - Winchester	2,260	\$ 9,579,818	\$ 4,239
Franklin	Summit Open MRI, Inc.	581	\$ 1,024,797	\$ 1,764
Lawrence	Southern Tennessee Regional Health System - Lawrenceburg	1,300	\$ 5,674,687	\$ 4,365
Lincoln	Lincoln Medical Center	1,178	\$ 3,479,621	\$ 2,954
Marshall	Marshall Medical Center	808	\$ 1,939,778	\$ 2,401
Maury	Maury Regional Medical Center	8,070	\$ 22,886,327	\$ 2,836
Maury	Mid Tennessee Bone and Joint Clinic, PC	2,165	\$ 2,754,668	\$ 1,272
Maury	Spring Hill Imaging Center (Maury Regional Imaging Ctr)	3,271	\$ 5,225,928	\$ 1,598
Putnam	Cookeville Regional Medical Center	4,598	\$ 7,757,572	\$ 1,687
Putnam	Outpatient Imaging Center at Cookeville Regional	5,251	\$ 9,973,990	\$ 1,899
Rutherford	Premier Diagnostic Imaging, LLC	5,540	\$ 5,328,166	\$ 962
Rutherford	Imaging Center of Murfreesboro	5,624	\$ 11,522,943	\$ 2,049
Rutherford	Murfreesboro Medical Clinic-Garrison Drive	2,597	\$ 3,779,000	\$ 1,455
Rutherford	Premier Radiology Murfreesboro	7,384	\$ 15,449,518	\$ 2,092
Rutherford	Premier Radiology Smyrna	4,334	\$ 8,648,812	\$ 1,996
Rutherford	St. Thomas Rutherford Hospital	3,306	\$ 14,607,076	\$ 4,418
Rutherford	Tennessee Orthopaedic Alliance Imaging	5,601	\$ 8,635,856	\$ 1,542
Rutherford	TriStar Stonecrest Medical Center	3,072	\$ 10,575,051	\$ 3,442
Smith	Riverview Regional Medical Center	556	\$ 2,457,397	\$ 4,420
Warren	St. Thomas River Park Hospital	1,790	\$ 6,414,384	\$ 3,583
Williamson	Cool Springs Imaging	4,838	\$ 8,249,221	\$ 1,705
Williamson	Premier Radiology Cool Springs	4,435	\$ 8,894,109	\$ 2,005
Williamson	Vanderbilt Bone and Joint	2,696	\$ 2,569,874	\$ 953
Williamson	Williamson Medical Center	4,365	\$ 11,444,957	\$ 2,622
Wilson	Premier Radiology Mt. Juliet	3,962	\$ 7,671,327	\$ 1,936
Wilson	Tennessee Orthopedics, PC	1,383	\$ 1,976,193	\$ 1,429
Wilson	Tennessee Sports Medicine	1,405	\$ 2,425,500	\$ 1,726
Wilson	Tennova Healthcare - Lebanon	3,158	\$ 20,288,956	\$ 6,425
	<b>Service Area</b>	<b>243,682</b>	<b>\$ 798,327,434</b>	<b>\$ 3,276</b>

1) Discuss how projected utilization rates will be sufficient to support the financial performance. Indicate when the project's financial breakeven is expected and demonstrate the availability of sufficient cash flow until financial viability is achieved. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For all projects, provide financial information for the corporation, partnership, or principal parties that will be a source of funding for the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as **Attachment Section B.Economic Feasibility.F.1**. **NOTE: Publicly held entities only need to reference their SEC filings.**

**RESPONSE:** This project will have access to sufficient cash flow and will generate a positive EBITDA in year 1. Please see **Attachment Section B.Economic Feasibility.F.1**.

- 2) Net Operating Margin Ratio – Demonstrates how much revenue is left over after all the variable or operating costs have been paid. The formula for this ratio is: (Earnings before interest, Taxes, and Depreciation/Net Operating Revenue).

Utilizing information from the Historical and Projected Data Charts please report the net operating margin ratio trends in the following table:

Year	2nd Year previous to Current Year (VUMC Historic)	1st Year previous to Current Year (VUMC Historic)	Current Year (VUMC Historic)	Projected Year 1 (Project)	Projected Year 2 (Project)
Net Operating Margin Ratio	68.5%	71.1%	69.7%	24.9%	25.4%

- 3) Capitalization Ratio (Long-term debt to capitalization) – Measures the proportion of debt financing in a business's permanent (Long-term) financing mix. This ratio best measures a business's true capital structure because it is not affected by short-term financing decisions. The formula for this ratio is: (Long-term debt/(Long-term debt+Total Equity (Net assets)) x 100).

For the entity (applicant and/or parent company) that is funding the proposed project please provide the capitalization ratio using the most recent year available from the funding entity's audited balance sheet, if applicable. The Capitalization Ratios are not expected from outside the company lenders that provide funding.

**RESPONSE: Please find Capitalization Ratio provided below for June 30, 2017 (\$ in thousands).**

<b>Long Term Debt (1)</b>	<b>\$1,199,515</b>
<b>Unrestricted Net Assets</b>	<b>\$ 713,979</b>
<b>Total Capitalization</b>	<b>\$1,913,494</b>

**Ratio of Long-Term Debt to Capitalization (%) 62.7%**

- (1) Total outstanding long-term debt, including current maturities, excluding the Subordinate Promissory Note from VU.**

- G. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid and medically indigent patients will be served by the project. Additionally, report the estimated gross operating revenue dollar amount and percentage of projected gross operating revenue anticipated by payor classification for the first year of the project by completing the table below.

Applicant's Projected Payor Mix, Year 1

<b>Payor Source</b>	<b>Projected Gross Operating Revenue</b>	<b>As a % of total</b>
Medicare/Medicare Managed Care	\$-	0%
TennCare/Medicaid	\$2,938,170	40%
Commercial/Other Managed Care	\$4,061,932	55%
Self-Pay	\$61,981	1%
Charity Care	\$55,078	1%
Other (Specify) _____	\$222,411	3%
<b>Total</b>	<b>\$7,339,571</b>	<b>100%</b>

- H. Provide the projected staffing for the project in Year 1 and compare to the current staffing for the most recent 12-month period, as appropriate. This can be reported using full-time equivalent (FTEs) positions for these positions. Additionally, please identify projected salary amounts by position classifications and compare the clinical staff salaries to prevailing wage patterns in the proposed service area as published by the Department of Labor & Workforce Development and/or other documented sources.



I.

Position Classification	Existing FTEs (enter year)	Projected FTEs Year 1	Average Wage (Contractual Rate)	Area Wide/Statewide Average Wage
<b>A. Direct Patient Care Positions</b>				
<i>MRI Technologist</i>	11.44	13.44	\$34.99/hr.	\$ 49,636
<i>CRNA</i>	3.0	4.0	\$200,000/yr.	\$143,922
<i>Registered Nurse</i>	7.61	8.61	\$32.00/hr.	\$56,838
<b>Total Direct Patient Care Positions</b>	22.05	26.05		
<b>B. Non-Patient Care Positions</b>				
<i>Position 1</i>				
<i>Position 2</i>				
<i>Position "etc."</i>				
<b>Total Non-Patient Care Positions</b>	0	0		
<b>Total Employees (A+B)</b>	22.05	26.05		
<b>C. Contractual Staff</b>				
<b>Total Staff (A+B+C)</b>	18.05	26.05		

J. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- 1) Discuss the availability of less costly, more effective and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, justify why not, including reasons as to why they were rejected.
- 2) Document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements.

**RESPONSE:** There were no alternatives to this project discussed. In order to meet the growing demands for outpatient subspecialty care, MCJCHV has opened multiple subspecialty clinics closer to patients and their families. In 2016, MCJCHV opened a multispecialty outpatient clinic in Murfreesboro, with 10 subspecialties (8 of which are nationally ranked) as well as ancillary teams providing x-ray and audiology services. This clinic has seen tremendous growth, more than quadrupling volumes since the first year of operation. As a result, a larger outpatient facility is being constructed in Murfreesboro in order to meet the needs of pediatric patients, including the proposed MRI. Except for MCJCHV in Nashville, there are no other dedicated pediatric MRI providers in the service area, and except for MCJCHV this center will have the only MRI in the service area with dedicated pediatric anesthesiology for sedated MRIs to children. The proposed MRI will support the practices of the pediatric subspecialists at this location and will provide a convenient alternative to pediatric patients who otherwise would schedule an outpatient MRI and travel to the main campus of MCJCHV.

## **SECTION B: CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE**

A. List all existing health care providers (i.e., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, that may directly or indirectly apply to the project, such as, transfer agreements, contractual agreements for health services.

**RESPONSE:** Please see Attachment B. Contribution to the Orderly Development of Healthcare.A

- B. Describe the effects of competition and/or duplication of the proposal on the health care system, including the impact to consumers and existing providers in the service area. Discuss any instances of competition and/or duplication arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

1) Positive Effects

**RESPONSE:** This project will enhance access to outpatient MRI services for pediatric patients served by MCJCHV and its physicians. The project will have minimal if any effect on other providers, because it is based on serving patients who otherwise would schedule an outpatient MRI at MCJCHV's main campus.

2) Negative Effects

**RESPONSE:** There are no negative effects of this project.

- C. 1) Discuss the availability of and accessibility to human resources required by the proposal, including clinical leadership and adequate professional staff, as per the State of Tennessee licensing requirements and/or requirements of accrediting agencies, such as the Joint Commission and Commission on Accreditation of Rehabilitation Facilities.

**RESPONSE:** VUMC will staff the project. VUMC provides a dynamic recruitment and retention program for employees. As one of the largest employers, VUMC actively searches for the most appropriate candidates and seeks to place them in career successful positions.

- 3) Verify that the applicant has reviewed and understands all licensing and/or certification as required by the State of Tennessee and/or accrediting agencies such as the Joint Commission for medical/clinical staff. These include, without limitation, regulations concerning clinical leadership, physician supervision, quality assurance policies and programs, utilization review policies and programs, record keeping, clinical staffing requirements, and staff education.

**RESPONSE: Vanderbilt University Medical Center will be responsible for credentialing, quality assurance, and staff education.**

**Credentialing**

The Provider Support Services department credentials all providers that will admit patients to VUMC or attend to patients at VUMC and its satellite locations. Documents are verified from the primary source and include medical or professional licenses, DEA status (if applicable), malpractice insurance and claims history, appropriate schooling, board certification and faculty status. Once all documents have been verified, they are presented to the Credentials Committee for review and recommendation to the Medical Center Medical Board. The Medical Center Medical Board then recommends approval to the Board of Trust, which makes the final decision.

**Quality Assurance**

VUMC's Strategic Quality Plan reflects the mission to achieve the best outcomes by providing the highest quality and safest care for every patient, every time through the committed efforts of every Vanderbilt team member. We will pursue delivery of care that is safe, patient centered, effective, efficient, timely and equitable.

**Staff Education**

VUMC devotes a variety of resources to the development of staff at all levels of the organization. VUMC's Learning Center provides comprehensive orientation and role specific training to help new staff become successful in their jobs.

- 4) Discuss the applicant's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).

**RESPONSE: VUMC is a major clinical training facility and supports 400 medical students, 800 nursing students, and 700 Ph.D. students training in 100 different Vanderbilt-affiliated training programs.**

- D. Identify the type of licensure and certification requirements applicable and verify the applicant has reviewed and understands them. Discuss any additional requirements, if applicable. Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Licensure: **State of Tennessee, Department of Health Facilities, Licensure Division**

Certification Type (e.g. Medicare SNF, Medicare LTAC, etc.): **Hospital**

Accreditation (i.e., Joint Commission, CARF, etc.): **Joint Commission**

- 1) If an existing institution, describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility and accreditation designation.

**RESPONSE: Please see Attachment B. Contribution to the Orderly Development of Healthcare.D.1.**

- 2) For existing providers, please provide a copy of the most recent statement of deficiencies/plan of correction and document that all deficiencies/findings have been corrected by providing a letter from the appropriate agency.

**RESPONSE: Please see Attachment B. Contribution to the Orderly Development of Healthcare.D.2.**

- 3) Document and explain inspections within the last three survey cycles which have resulted in any of the following state, federal, or accrediting body actions: suspension of admissions, civil monetary penalties, notice

of 23-day or 90-day termination proceedings from Medicare/Medicaid/TennCare, revocation/denial of accreditation, or other similar actions.

**RESPONSE: Not applicable**

a) Discuss what measures the applicant has or will put in place to avoid similar findings in the future.

E. Respond to all of the following and for such occurrences, identify, explain and provide documentation:

1) Has any of the following:

a) Any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant);

**RESPONSE: No**

b) Any entity in which any person(s) or entity with more than 5% ownership (direct or indirect) in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%; and/or

**RESPONSE: No**

c) Any physician or other provider of health care, or administrator employed by any entity in which any person(s) or entity with more than 5% ownership in the applicant (to include any entity in the chain of ownership for applicant) has an ownership interest of more than 5%.

**RESPONSE: No**

2) Been subjected to any of the following:

a) Final Order or Judgment in a state licensure action;

**RESPONSE: No**

b) Criminal fines in cases involving a Federal or State health care offense;

**RESPONSE: No**

c) Civil monetary penalties in cases involving a Federal or State health care offense;

**RESPONSE: No**

d) Administrative monetary penalties in cases involving a Federal or State health care offense;

**RESPONSE: No**

e) Agreement to pay civil or administrative monetary penalties to the federal government or any state in cases involving claims related to the provision of health care items and services; and/or

**RESPONSE: No**

f) Suspension or termination of participation in Medicare or Medicaid/TennCare programs.

**RESPONSE: No**

g) Is presently subject of/to an investigation, regulatory action, or party in any civil or criminal action of which you are aware.

**RESPONSE: No**

h) Is presently subject to a corporate integrity agreement.

**RESPONSE: No**

F. Outstanding Projects:

1) Complete the following chart by entering information for each applicable outstanding CON by applicant or share common ownership; and

<b>Outstanding Projects</b>					
<b>CON Number</b>	<b>Project Name</b>	<b>Date Approved</b>	<b>*Annual Progress Report(s)</b>		<b>Expiration Date</b>
			<b>Due Date</b>	<b>Date Filed</b>	
CN710-075	Monroe Carell Jr. Children's Hospital at Vanderbilt	1/23/2008	3/1/2017	2/23/2017**	November 1, 2020
CN1406-021	Vanderbilt University Hospitals	9/24/2014	11/1/2017	10/27/2017	November 1, 2020
CN1602-010	Vanderbilt University Medical Center	4/27/2016	6/1/2018	5/8/2018	June 1, 2019
CN1705-016	Vanderbilt University Medical Center	8/23/2017	TBD	TBD	October 1, 2020
CN1803-016	Vanderbilt University Medical Center	6/27/2018	TBD	TBD	TBD

\* Annual Progress Reports – HSDA Rules require that an Annual Progress Report (APR) be submitted each year. The APR is due annually until the Final Project Report (FPR) is submitted (FPR is due within 90 ninety days of the completion and/or implementation of the project). Brief progress status updates are requested as needed. The project remains outstanding until the FPR is received.

\*\* CN710-075 was extended at the December 2017 Health Services and Development Agency meeting, and an Annual Project Report was not requested as a result.

2) Provide a brief description of the current progress, and status of each applicable outstanding CON.

**RESPONSE: Updates on VUMC outstanding CON projects:**

**CN0710-075**

Construction is well underway on the Children's 4-floor vertical expansion. Approval from the HSDA was given in December 2017 to extend the expiration date of this CON to November 2020.

**CN1406-021**

This project includes several major components and is being implemented in stages. The first component of the project included two observation units on VUMC campus, which are currently constructed and occupied. The next component of the project includes adding NICU/ Critical Care Pediatric Beds on the tenth floor and the eleventh floor of Monroe Carell Jr. Children's Hospital at Vanderbilt. The third component includes the construction of the eighth floor of Medical Center East, which includes inpatient rooms as well as an observation unit, followed by construction of the seventh and sixth floors of Medical Center East.

**CN1602-010**

Construction is well underway to relocate the Clinical Research Center to Medical Center North, Round Wing, and it is anticipated to be complete in fall 2018.

**CN1705-016**

Construction for the recently approved MRI at MCJCHV is underway.

**CN1803-016**

Bed addition for Vanderbilt Psychiatric Hospital (VPH) was approved at the June 27, 2018, Health Services and Development Agency increasing the licensed beds by 14 to 106 at VPH.

G. Equipment Registry – For the applicant and all entities in common ownership with the applicant.

- 1) Do you own, lease, operate, and/or contract with a mobile vendor for a Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET)?

**RESPONSE: No**

If yes, have you submitted their registration to HSDA? If you have, what was the date of submission?

If yes, have you submitted your utilization to Health Services and Development Agency? If you have, what was the date of submission? N/A

## **SECTION B: QUALITY MEASURES**

Please verify that the applicant will report annually using forms prescribed by the Agency concerning continued need and appropriate quality measures as determined by the Agency pertaining to the certificate of need, if approved.

**RESPONSE: VUMC will comply will all reporting requests from the HSDA.**

## **SECTION C: STATE HEALTH PLAN QUESTIONS**

T.C.A. §68-11-1625 requires the Tennessee Department of Health's Division of Health Planning to develop and annually update the State Health Plan (found at <http://www.tn.gov/health/topic/health-planning> ). The State Health Plan guides the State in the development of health care programs and policies and in the allocation of health care resources in the State, including the Certificate of Need program. The 5 Principles for Achieving Better Health are from the State Health Plan's framework and inform the Certificate of Need program and its standards and criteria.

Discuss how the proposed project will relate to the 5 Principles for Achieving Better Health found in the State Health Plan.

- A. The purpose of the State Health Plan is to improve the health of the people of Tennessee.

**RESPONSE: The proposed project will allow greater access to the children and families that seek care at MCJCHV. The addition of this MRI will allow patients in a timely manner, which can have a positive effect on patient outcomes.**

- B. People in Tennessee should have access to health care and the conditions to achieve optimal health.

**RESPONSE: With the MRI conveniently located at the multispecialty outpatient clinic in Murfreesboro, MCJCHV will be able to this service closer to patients and families. With the continued success and growth of MCJCHV, the addition of this MRI will contribute to improving optimal health for patients across Tennessee and surrounding states.**

- C. Health resources in Tennessee, including health care, should be developed to address the health of people in Tennessee while encouraging economic efficiencies.

**RESPONSE: The project will meet the needs of the children and families seeking care at MCJCHV subspecialists closer to their homes, as well as reduce wait times, Convenient, timely delivery of care is more economically efficient for the patients.**

- D. People in Tennessee should have confidence that the quality of health care is continually monitored and standards are adhered to by providers.

**RESPONSE:** The proposed project will achieve high standards of quality through quality metrics and best practices. VUMC is actively engaged in many projects associated with quality and safety outcomes and is recognized as a national leader.

- E. The state should support the development, recruitment, and retention of a sufficient and quality health workforce.

**RESPONSE:** MCJCHV is committed to providing outstanding care, and thus, recruiting and retaining the best employee workforce. MCJCHV will utilize current employees as well as add additional employees to the system to maximize the new MRI capabilities.

## PROOF OF PUBLICATION

**Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper that includes a copy of the publication as proof of the publication of the letter of intent.**

## NOTIFICATION REQUIREMENTS

### **(Applies only to Nonresidential Substitution-Based Treatment Centers for Opiate Addiction)**

Note that T.C.A. §68-11-1607(c)(9)(A) states that "...Within ten (10) days of the filing of an application for a nonresidential substitution-based treatment center for opiate addiction with the agency, the applicant shall send a notice to the county mayor of the county in which the facility is proposed to be located, the state representative and senator representing the house district and senate district in which the facility is proposed to be located, and to the mayor of the municipality, if the facility is proposed to be located within the corporate boundaries of a municipality, by certified mail, return receipt requested, informing such officials that an application for a nonresidential substitution-based treatment center for opiate addiction has been filed with the agency by the applicant."

Failure to provide the notifications described above within the required statutory timeframe will result in the voiding of the CON application.

Please provide documentation of these notifications.

## DEVELOPMENT SCHEDULE

T.C.A. §68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. **Complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.**
2. **If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.**



## PROJECT COMPLETION FORECAST CHART

Assuming the Certificate of Need (CON) approval becomes the final HSDA action on the date listed in Item 1. below, indicate the number of days from the HSDA decision date to each phase of the completion forecast.

<u>Phase</u>	<u>Days Required</u>	<u>Anticipated Date [Month/Year]</u>
1. Initial HSDA decision date		October 2018
2. Architectural and engineering contract signed		November 2018
3. Construction documents approved by the Tennessee Department of Health	30	December 2018
4. Construction contract signed	-	December 2018
5. Building permit secured	-	December 2018
6. Site preparation completed	-	December 2018
7. Building construction commenced	-	December 2018
8. Construction 40% complete	-	February 2019
9. Construction 80% complete	260	July 2019
10. Construction 100% complete (approved for occupancy	90	October 2019
11. *Issuance of License	15	October 2019
12. *Issuance of Service	15	October 2019
13. Final Architectural Certification of Payment	30	November 2019
14. Final Project Report Form submitted (Form HR0055)	90	February 2019

\*For projects that **DO NOT** involve construction or renovation, complete Items 11 & 12 only.

**NOTE:** If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date

06:27:40 07/12/2018

# AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

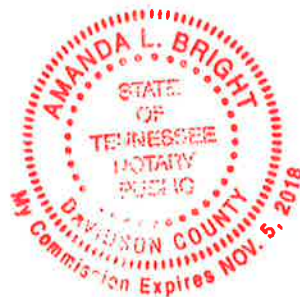
C. Wright Person, being first duly sworn, says that he/she is the applicant named in this application or his/her lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Tennessee Health Services and Development Agency and T.C.A. § 68-11-1601, *et seq.*, and that the responses to questions in this application or any other questions deemed appropriate by the Tennessee Health Services and Development Agency are true and complete.

C. Wright Person  
Signature/Title

Sworn to and subscribed before me this the 12<sup>th</sup> day of July, 2018, a Notary Public in and for the County of Davidson, State of Tennessee.

Amanda L. Bright  
NOTARY PUBLIC

My Commission expires 11-5-2018.



HF-0056

Revised 7/02 - All forms prior to this date are obsolete

**Vanderbilt University Medical Center CON**  
**Application Attachments**  
(in order of appearance)

- Corporate Charter/Certificate of Existence/Org Chart: Attachment A.4A
- Purchase Agreement: Attachment A.6A
- Plot Plan: Attachment A.6B.1
- Floor Plan: Attachment A.6B.2
- Equipment Lease: Attachment A.13.B
- FDA Equipment Approval: Attachment A.13.F  
Attachment B.Need.A.Magnetic Resonance Imaging.7a
- ACR Accreditation: Attachment B.Need.A.Magnetic Resonance Imaging.7f
- Construction Letter: Attachment B.Economic Feasibility.A.5
- Funding Documentation: Attachment B.Economic Feasibility.B
- Financial Statements: Attachment B.Economic Feasibility.F.1
- Contracts: Attachment B.Contribution to the Orderly Development of Healthcare.A
- Licensure & Accreditation: Attachment B.Contribution to the Orderly Development of Healthcare.D.1
- Licensure Certification & Plan of Correction: Attachment B.Contribution to the Orderly Development of Healthcare.D.2
- Proof of publication

## Attachment A.4A

Corporate Charter

Certificate of Existence

Organizational Chart



**STATE OF TENNESSEE**  
**Tre Hargett, Secretary of State**  
Division of Business Services  
William R. Snodgrass Tower  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

ROBIN LUNDQUIST  
VUMC OFFICE OF LEGAL AFFAIRS  
STE 700  
2525 WEST END AVE  
NASHVILLE, TN 37203-1790

**Request Type: Certified Copies**

Request #: 216472

Issuance Date: 10/07/2016

Copies Requested: 1

**Document Receipt**

Receipt #: 002920890

Filing Fee: \$20.00

Payment-Check/MO - ERIC J LUNDQUIST, HENDERSONVILLE, TN

\$20.00

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that **Vanderbilt University Medical Center**, Control # 792687 was formed or qualified to do business in the State of Tennessee on 03/18/2015. Vanderbilt University Medical Center has a home jurisdiction of TENNESSEE and is currently in an Active status. The attached documents are true and correct copies and were filed in this office on the date(s) indicated below.

  
Tre Hargett  
Secretary of State

Processed By: Nichole Hambrick

The attached document(s) was/were filed in this office on the date(s) indicated below:

<b>Reference #</b>	<b>Date Filed</b>	<b>Filing Description</b>
B0072-0037	03/18/2015	Initial Filing
B0244-2645	05/25/2016	Assumed Name
B0244-2646	05/25/2016	Assumed Name
B0244-2647	05/25/2016	Assumed Name
B0244-2648	05/25/2016	Assumed Name
B0244-2649	05/25/2016	Assumed Name

**CHARTER**  
**OF**  
**VANDERBILT UNIVERSITY MEDICAL CENTER**

Pursuant to the provisions of Section 48-52-102 of the Tennessee Nonprofit Corporation Act (Tennessee Code Annotated §§ 48-51-101 et seq.), as amended from time to time (the “**Tennessee Nonprofit Corporation Act**”), the undersigned corporation, acting through its incorporator, hereby adopts the following Charter:

**ARTICLE I**

The name of the corporation is Vanderbilt University Medical Center (the “**Corporation**”).

**ARTICLE II**

The Corporation (i) is a public benefit corporation; (ii) shall not be for profit; (iii) shall not have members; and (iv) is not a religious corporation. It is intended that the Corporation shall have the status of a nonprofit corporation that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended and to include any corresponding provisions of any subsequent federal tax laws (hereinafter, the “**Code**”), as an organization described and operated within the meaning of Section 501(c)(3) of the Code (or in each case, corresponding provisions of any subsequent federal tax laws).

**ARTICLE III**

(a) The street address and zip code of the Corporation’s initial registered office are 800 South Gay Street, Suite 2021, Knoxville, Tennessee, 37929-9710, and the county in which the initial registered office is located is Knox County. The name of the Corporation’s

initial registered agent at the Corporation's initial registered office is National Registered Agents, Inc.

(b) The street address and zip code of the Corporation's initial principal office are 1161 21<sup>st</sup> Avenue South, Suite D3300 MCN, Nashville, Tennessee, 37232-5545, and the county in which the initial principal office is located is Davidson County.

#### ARTICLE IV

The name, address and zip code of the incorporator of the Corporation are:

##### NAME

Audrey J. Anderson

##### ADDRESS

305 Kirkland Hall  
Vanderbilt University  
Nashville, TN 37240-0001

#### ARTICLE V

The Corporation's fiscal year shall conclude on June 30 every year.

#### ARTICLE VI

(a) The purposes for which the Corporation is organized are to operate exclusively for charitable, educational and scientific purposes, within the meaning of Section 501(c)(3) of the Code; and within such limits, and inclusive of such other consistent purposes, as may be set forth in the Bylaws of the Corporation, to: (1) operate, maintain or control one or more academic medical and health science centers, including (but not limited to) related health care, research, and other facilities (which also may be used for biomedical research, administration, and training and education of health care and life sciences professionals), all as may currently exist or as may be established in the future, as part of an integrated, world-class health system affiliated with Vanderbilt University, a Tennessee nonprofit corporation

("Vanderbilt University"); (2) preserve, promote, and enhance the availability of health care services and scientific advances in public health, in the communities served by the Corporation, by Vanderbilt University, and their respective affiliates and networks; (3) otherwise advance purposes consistent with the general purposes herein and the mission as set forth in the Bylaws; and (4) otherwise fulfill and satisfy the Corporation's obligations as a party to one or more agreements to be entered into by and among the Corporation, on the one hand, and Vanderbilt University on the other hand, to ensure that the Corporation and Vanderbilt may efficiently and effectively pursue shared interests in health-related research and training.

(b) Subject to the limitations contained in this Charter and the Bylaws and without partisanship of any kind, the Corporation shall be empowered to take all appropriate action in furtherance of the purposes set forth in paragraph (a) of this Article VI and to carry out any activities and exercise all powers available to corporations organized pursuant to the Tennessee Nonprofit Corporation Act that may be carried out by organizations that are described in Section 501(c)(3) of the Code.

(c) The Corporation shall not have or exercise any power or authority either expressly or by interpretation or by operation of law, nor shall it directly or indirectly engage in any activity, (i) that would prevent it from qualifying (and continuing to qualify) as an organization described in Section 501(c)(3) of the Code; (ii) that would prevent it from qualifying (and continuing to qualify) as an organization contributions to which are deductible under Sections 170(c)(2), 2055(a) and 2522(a), as applicable, of the Code; or (iii) that is not available to and may not be carried out by a corporation organized pursuant to the Tennessee Nonprofit Corporation Act.



## ARTICLE VII

(a) All powers of the Corporation shall be exercised by or under the authority of, and the affairs of the Corporation shall be managed by or under the direction of, its Board of Directors. The Board of Directors of the Corporation shall exercise all such powers subject to, and in accordance with, the Bylaws of the Corporation. The manner of appointment or election of the members of the Board of Directors shall be set forth in the Bylaws.

(b) Except as otherwise provided in this Charter, the internal affairs of the Corporation shall be governed by, and regulated and determined as provided in, the Corporation's Bylaws.

## ARTICLE VIII

In all events and under all circumstances, and notwithstanding merger, consolidation, reorganization, termination, dissolution, or winding up of the Corporation, voluntary or involuntary, or by the operation of law, or upon amendment of this Charter:

(a) No part of the assets or net earnings of the Corporation shall inure to the benefit of or be distributable to its incorporator, directors, officers or other private persons having a personal or private interest in the Corporation, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services actually rendered and to make reimbursement in reasonable amounts for expenses actually incurred in carrying out the purposes set forth in Article VI hereof.

(b) No substantial part of the activities of the Corporation shall consist of the carrying on of propaganda, or of otherwise attempting to influence legislation, unless Section 501(h) of the Code shall apply to the Corporation, in which case the Corporation shall not normally make lobbying or grass roots expenditures in excess of the amounts therein specified.

The Corporation shall not in any manner or to any extent participate in or intervene in (including the publishing or distributing of statements) any political campaign on behalf of (or in opposition to) any candidate for public office; nor shall it engage in any "prohibited transaction" as defined in Section 503(b) of the Code.

(c) Neither the whole, or any part or portion, of the assets or net earnings of the Corporation shall be used, nor shall the Corporation ever be operated, for objects or purposes other than those set forth in Article VI hereof.

(d) Upon dissolution of the Corporation, all of the Corporation's assets and property of every nature and description remaining after the payment of all liabilities and obligations of the Corporation (but not including assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of the dissolution) shall be paid over and transferred to Vanderbilt University, or to one or more organizations as approved in writing by Vanderbilt University, provided that Vanderbilt University or such other approved organization(s) are then qualified for exemption from federal income taxes as organizations described in Section 501(c)(3) of the Code.

#### **ARTICLE IX**

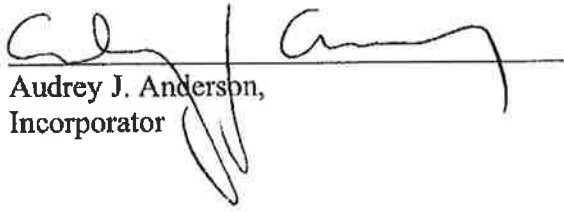
The Corporation's Charter may be amended, restated or altered, in whole or in part, by the affirmative vote of at least seventy-five percent (75%) of all of the members of the Corporation's Board of Directors then in office at a duly called meeting at which a quorum is present; provided that (a) at least seven (7) calendar days' notice in writing setting forth a proposed amendment, restatement or alteration of the Corporation's Charter, or a reasonably detailed summary thereof, has first been provided to the Corporation's Board of Directors, and (b) the approval of Vanderbilt University shall be required for any amendment that adversely

impacts the rights of Vanderbilt University or the VU Directors, as that term is defined in the Corporation's Bylaws.

**[Signature page follows]**

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 18 day of

March, 2015.

  
Audrey J. Anderson,  
Incorporator

[Signature Page to Charter]

B0072-0043 03/18/2015 3:00 PM Received by-Tennessee Secretary of State Tre Hargett

State of Tennessee



Department of State  
Corporate Filings  
312 Rosa L. Parks Ave.  
6th Floor, William R. Snodgrass Tower  
Nashville, TN 37243

APPLICATION FOR  
REGISTRATION OF  
ASSUMED CORPORATE  
NAME

For Office Use Only

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is Vanderbilt University Medical Center

2. The state or country of incorporation is Tennessee

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The assumed corporate name the corporation proposes to use is

Vanderbilt Outpatient Pharmacy

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

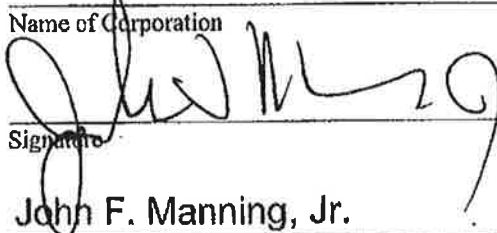
5-11-16  
Signature Date

Chief Operating Officer and Corporate Chief of Staff

Signer's Capacity

Vanderbilt University Medical Center

Name of Corporation

  
Signature

John F. Manning, Jr.

Name (typed or printed)

State of Tennessee



Department of State  
Corporate Filings  
312 Rosa L. Parks Ave.  
6th Floor, William R. Snodgrass Tower  
Nashville, TN 37243

APPLICATION FOR  
REGISTRATION OF  
ASSUMED CORPORATE  
NAME

For Office Use Only

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is Vanderbilt University Medical Center

2. The state or country of incorporation is Tennessee

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The assumed corporate name the corporation proposes to use is

Vanderbilt Clinic Pharmacy

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

5-11-16  
Signature Date

Chief Operating Officer and Corporate Chief of Staff  
Signer's Capacity

Vanderbilt University Medical Center  
Name of Corporation

Signature

John F. Manning, Jr.  
Name (typed or printed)

State of Tennessee



Department of State  
Corporate Filings  
312 Rosa L. Parks Ave.  
6th Floor, William R. Snodgrass Tower  
Nashville, TN 37243

APPLICATION FOR  
REGISTRATION OF  
ASSUMED CORPORATE  
NAME

For Office Use Only

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is Vanderbilt University Medical Center

2. The state or country of incorporation is Tennessee

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The assumed corporate name the corporation proposes to use is

Vanderbilt Adult Hospital Pharmacy

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

5-11-16  
Signature Date

Chief Operating Officer and Corporate Chief of Staff  
Signer's Capacity

Vanderbilt University Medical Center  
Name of Corporation

Signature

John F. Manning, Jr.  
Name (typed or printed)

State of Tennessee



Department of State  
Corporate Filings  
312 Rosa L. Parks Ave.  
6th Floor, William R. Snodgrass Tower  
Nashville, TN 37243

APPLICATION FOR  
REGISTRATION OF  
ASSUMED CORPORATE  
NAME

For Office Use Only

Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:

1. The true name of the corporation is Vanderbilt University Medical Center

2. The state or country of incorporation is Tennessee

3. The corporation intends to transact business in Tennessee under an assumed corporate name.

4. The assumed corporate name the corporation proposes to use is

Vanderbilt Nuclear Pharmacy

[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]

5-11-16  
Signature Date

Chief Operating Officer and Corporate Chief of Staff  
Signer's Capacity

Vanderbilt University Medical Center

Name of Corporation

  
Signature

John F. Manning, Jr.

Name (typed or printed)



B0244-2649 05/25/2016 10:00 AM Received by Tennessee Secretary of State Tre Hargett

<div data-bbox="251 325 592 420"><p>State of Tennessee</p></div> <div data-bbox="365 378 462 472"></div> <div data-bbox="243 462 600 609"><p>Department of State Corporate Filings 312 Rosa L. Parks Ave. 6th Floor, William R. Snodgrass Tower Nashville, TN 37243</p></div>	<p>For Office Use Only</p>
<p>APPLICATION FOR REGISTRATION OF ASSUMED CORPORATE NAME</p>	
<p>Pursuant to the provisions of Section 48-14-101(d) of the Tennessee Business Corporation Act or Section 48-54-101(d) of the Tennessee Nonprofit Corporation Act, the undersigned corporation hereby submits this application:</p>	
<p>1. The true name of the corporation is <u>Vanderbilt University Medical Center</u></p> <p>2. The state or country of incorporation is <u>Tennessee</u></p> <p>3. The corporation intends to transact business in Tennessee under an assumed corporate name.</p> <p>4. The assumed corporate name the corporation proposes to use is <u>Vanderbilt Oncology Pharmacy</u></p>	
<p>[NOTE: The assumed corporate name must meet the requirements of Section 48-14-101 of the Tennessee Business Corporation Act or Section 48-54-101 of the Tennessee Nonprofit Corporation Act.]</p>	
<p><u>5-11-16</u> Signature Date</p>	<p><u>Vanderbilt University Medical Center</u> Name of Corporation</p>
<p>Chief Operating Officer and Corporate Chief of Staff Signer's Capacity</p>	<p> Signature</p>
	<p><u>John F. Manning, Jr.</u> Name (typed or printed)</p>
<p>SS-4402 (Rev. 4/01)      Filing Fee: \$20      RDA1720</p>	



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
**State of Tennessee**  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

## Filing Information

**Name:** **Vanderbilt University Medical Center**

### General Information

<b>SOS Control #</b>	<b>000792687</b>	<b>Formation Locale:</b>	TENNESSEE
<b>Filing Type:</b>	Nonprofit Corporation - Domestic	<b>Date Formed:</b>	03/18/2015
	03/18/2015 3:00 PM	<b>Fiscal Year Close</b>	6
<b>Status:</b>	Active		
<b>Duration Term:</b>	Perpetual		
<b>Public/Mutual Benefit:</b>	Public		

### Registered Agent Address

NATIONAL REGISTERED AGENTS, INC.  
STE 2021  
800 S GAY ST  
KNOXVILLE, TN 37929-9710

### Principal Address

STE D3300MCN  
1161 21ST AVE S  
NASHVILLE, TN 37232-5545

The following document(s) was/were filed in this office on the date(s) indicated below:

<b>Date Filed</b>	<b>Filing Description</b>	<b>Image #</b>
09/15/2016	2016 Annual Report	B0280-8438
05/25/2016	Assumed Name	B0244-2645
	New Assumed Name Changed From: No Value To: Vanderbilt Outpatient Pharmacy	
05/25/2016	Assumed Name	B0244-2646
	New Assumed Name Changed From: No Value To: Vanderbilt Clinic Pharmacy	
05/25/2016	Assumed Name	B0244-2647
	New Assumed Name Changed From: No Value To: Vanderbilt Adult Hospital Pharmacy	
05/25/2016	Assumed Name	B0244-2648
	New Assumed Name Changed From: No Value To: Vanderbilt Nuclear Pharmacy	
05/25/2016	Assumed Name	B0244-2649
	New Assumed Name Changed From: No Value To: Vanderbilt Oncology Pharmacy	
09/29/2015	2015 Annual Report	B0133-7363
03/18/2015	Initial Filing	B0072-0037

### Active Assumed Names (if any)

	<b>Date</b>	<b>Expires</b>
Vanderbilt Oncology Pharmacy	05/25/2016	05/25/2021
Vanderbilt Nuclear Pharmacy	05/25/2016	05/25/2021

## Filing Information

Name: **Vanderbilt University Medical Center**

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Vanderbilt Adult Hospital Pharmacy	05/25/2016	05/25/2021
Vanderbilt Clinic Pharmacy	05/25/2016	05/25/2021
Vanderbilt Outpatient Pharmacy	05/25/2016	05/25/2021



**Tre Hargett**  
Secretary of State

**Division of Business Services**  
**Department of State**  
**State of Tennessee**  
312 Rosa L. Parks AVE, 6th FL  
Nashville, TN 37243-1102

ROBIN LUNDQUIST  
2525 WEST END AVE., SUITE 700  
VUMC OFFICE OF LEGAL AFFAIRS  
NASHVILLE, TN 37203

March 14, 2017

Request Type: Certificate of Existence/Authorization  
Request #: 0231773

Issuance Date: 03/14/2017  
Copies Requested: 1

**Document Receipt**

Receipt #: 003200004 Filing Fee: \$20.00  
Payment-Credit Card - State Payment Center - CC #: 3697220453 \$20.00

Regarding: Vanderbilt University Medical Center  
Filing Type: Nonprofit Corporation - Domestic Control #: 792687  
Formation/Qualification Date: 03/18/2015 Date Formed: 03/18/2015  
Status: Active Formation Locale: TENNESSEE  
Duration Term: Perpetual Inactive Date:  
Business County: DAVIDSON COUNTY

**CERTIFICATE OF EXISTENCE**

I, Tre Hargett, Secretary of State of the State of Tennessee, do hereby certify that effective as of the issuance date noted above

**Vanderbilt University Medical Center**

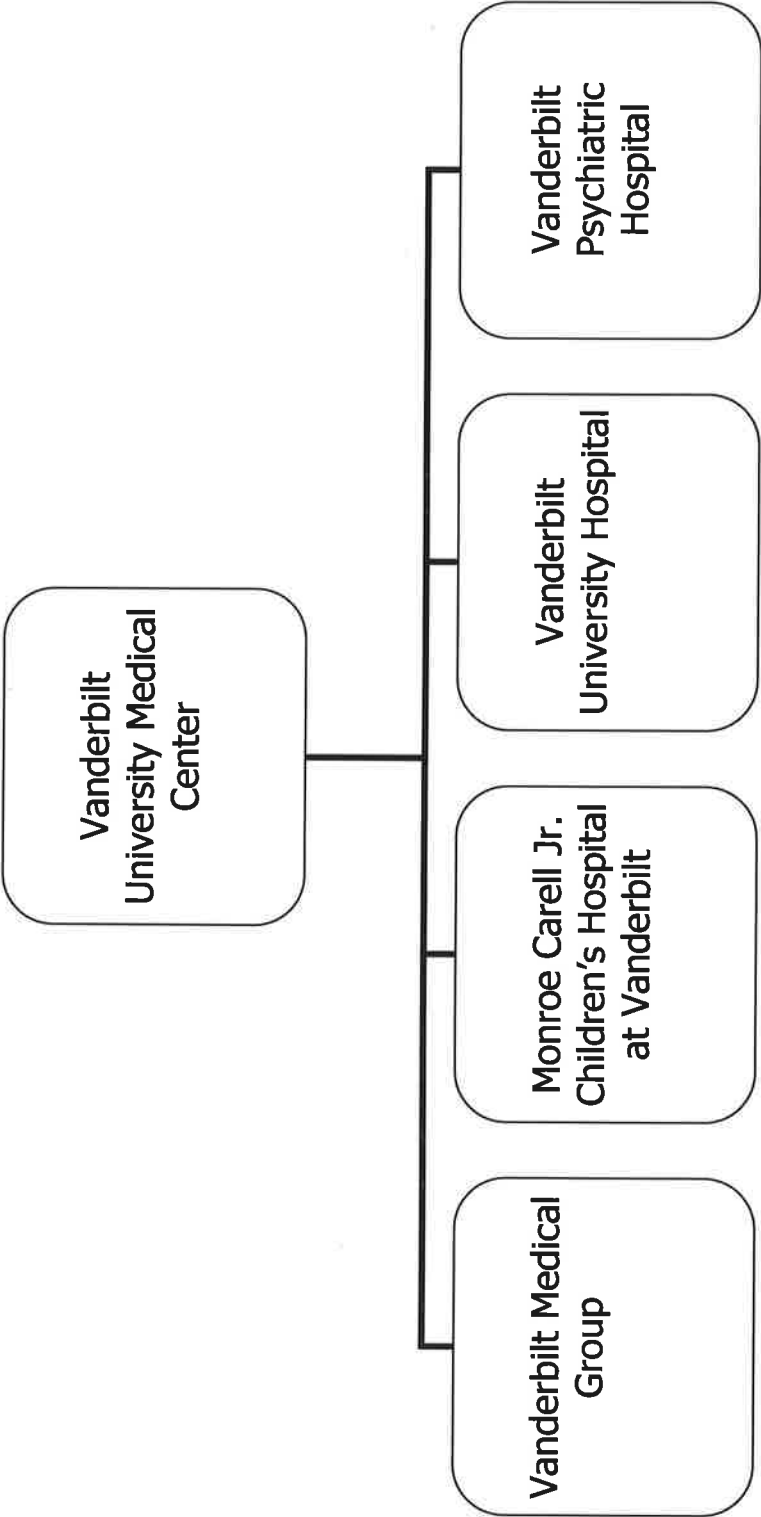
- \* is a Corporation duly incorporated under the law of this State with a date of incorporation and duration as given above;
- \* has paid all fees, taxes and penalties owed to this State (as reflected in the records of the Secretary of State and the Department of Revenue) which affect the existence/authorization of the business;
- \* has filed the most recent annual report required with this office;
- \* has appointed a registered agent and registered office in this State;
- \* has not filed Articles of Dissolution or Articles of Termination. A decree of judicial dissolution has not been filed.

Tre Hargett  
Secretary of State

Processed By: Cert Web User

Verification #: 021581420

**Vanderbilt University Medical Center Organization Chart**



## Attachment A.6A

### Purchase Agreement

## PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT ("*Agreement*") is made and entered into as of March 13, 2018 ("*Effective Date*") by and among The City of Murfreesboro, Tennessee ("*Seller*"), Vanderbilt University Medical Center, a Tennessee non-profit corporation ("*Buyer*") and Fidelity National Title Insurance Company ("*Escrow Agent*"), with reference to the following recitals:

### RECITALS

A. Seller is the owner of approximately twenty one and one-half (21 ½) acres of vacant and unimproved land located on Garrison Drive, Murfreesboro, Tennessee, as more particularly described on Exhibit A attached hereto (the "*Garrison Drive Real Property*");

B. Buyer desires to purchase from Seller and Seller desires to sell between eleven and fourteen acres of the Garrison Drive Real Property (the "*Real Property*") to Buyer on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, the parties hereby agree to the terms and provisions of the Agreement as follows:

### 1. DEFINITIONS

For the purposes of this Agreement the following terms are defined below:

1.1 "*Broker*" means Southeast Venture, LLC.

1.2 "*Closing*" means the closing of the transaction contemplated by this Agreement. The Closing will be deemed to have occurred when the deed and all other conveyance documents to be recorded as of the same date are released by the Escrow Agent from escrow for recording with all contingencies to Closing satisfied or waived by the appropriate party.

1.3 "*Closing Date*" shall be within sixty (60) calendar days after the expiration or waiver of the Due Diligence Period, as the same may be extended as described herein. Notwithstanding the foregoing, the Closing Date may be accelerated by Buyer to a date selected by Buyer, upon not less than twenty (20) days prior written notice from Buyer to Seller.

1.4 "*Diligence Items*" means, to the extent any of the same exist and are in the possession and control of Seller, the items affecting the Property listed on Exhibit E attached hereto and incorporated herein by reference.

1.5 "*Due Diligence Period*" means the period starting on the Effective Date, and expiring at 6:00 P.M. central time on the date that is one hundred eighty (180) days therefrom, unless extended as provided for in Section 7.1(c). In the event the Due Diligence Period is extended in accordance with Section 7.1(c) below, the Due Diligence Period shall include the

First Due Diligence Extension Period, the Second Due Diligence Extension Period, and the Third Due Diligence Period, as applicable.

1.6 *"Earnest Money Deposit"* means the Fifty Thousand and No/100<sup>th</sup> Dollars (\$50,000.00) in immediately available funds, which will be placed into escrow as provided for in Section 3.

1.7 *"Effective Date"* means the date as first above written.

1.8 *"Escrow Agent"* means Fidelity National Title Insurance Company

1.9 *"Notices"* will be sent to the following addresses:

SELLER: The City of Murfreesboro, Tennessee  
111 West Vine Street  
Murfreesboro, Tennessee 37130  
Attention: Jennifer Moody  
jmoody@murfreesborotn.gov

with a copy to: David A. Ives  
Assistant City Attorney  
City of Murfreesboro  
111 West Vine Street  
Murfreesboro, Tennessee 37130  
dives@murfreesborotn.gov

BUYER: Vanderbilt University Medical Center  
Vice President of Business Development and Real Estate  
3319 West End Avenue, Suite 200  
Nashville, Tennessee 37203  
Attn: Liz Dishman  
Elizabeth.S.Dishman@vanderbilt.edu

With a copy to: Vanderbilt University Medical Center  
Office of Legal Affairs  
2525 West End Avenue, Suite 700  
Nashville, Tennessee 37203  
Attn: Doug Mefford  
Doug.mefford@vanderbilt.edu

With a copy to: Webb Sanders PLLC  
Post Office Box 887  
3037A Highway 31W



White House, TN 37188  
Attn: Valerie M. Webb  
Email: vwebb@webbsanderslaw.com

1.10 *"Purchase Price"* for the Property (defined below) is Eight Dollars (\$8.00) per square foot for the Real Property as determined by the Survey (as hereinafter defined) of the Real Property.

1.11 *"Property"* has the meaning given such term in Section 2 herein.

1.12 *"Title Company"* means the Escrow Agent.

## 2. PURCHASE AND SALE

Upon and subject to the terms and conditions set forth in this Agreement, Seller agrees to sell to Buyer and Buyer agrees to buy from Seller the Real Property, together with all of Seller's right, title and interest, if any, in and to: (a) all easements, hereditaments, appurtenances and air rights, and (b) all agreements which relate to or affect the Real Property or the operation thereof. All such items referenced in (a) and (b) above, together with the Real Property, are referred to herein as the *"Property."*

## 3. PURCHASE PRICE, EARNEST MONEY DEPOSIT

The Purchase Price for the Property will be paid as follows:

3.1 **Earnest Money Deposit.** Within ten (10) business days after the execution of this Agreement, Buyer shall deliver the Earnest Money Deposit to Escrow Agent by confirmed wire transfer. By the end of the Due Diligence Period, if Buyer has elected not to purchase the Property and has terminated this Agreement, the Earnest Money Deposit will be returned by Escrow Agent to Buyer. If Buyer does not terminate this Agreement on or before the end of the Due Diligence Period as provided in Section 7(c) below, the Earnest Money Deposit shall be non-refundable to Buyer (provided Seller otherwise complies with this Agreement and does not default). If Buyer does not terminate this Agreement on or before the end of the Due Diligence Period as provided in Section 7(c) below, the Earnest Money Deposit will be paid to Seller at Closing (or as otherwise provided in this Agreement) and credited against the Purchase Price.

3.2 **Cash Balance.** If Buyer has not elected to terminate this Agreement pursuant to Section 7(c) below, the Earnest Money Deposit will be paid at Closing to Seller and credited against the Purchase Price. On or before the Closing Date, Buyer will deposit with Escrow Agent the balance of the Purchase Price, subject to adjustments as provided for herein, in the form of confirmed and immediately available wire transfer of funds.

#### 4. DELIVERY OF ESCROW AGREEMENT

Within two (2) business days after the execution of this Agreement, Buyer and Seller shall also deliver to Escrow Agent a fully executed copy of this Agreement and a copy of the Escrow Agreement attached hereto as Exhibit B, signed by Buyer and Seller, and shall obtain Escrow Agent's execution of the Escrow Agreement. The purchase and sale of the Property will be completed with the assistance of Escrow Agent. If the terms and provisions of this Agreement conflict or are inconsistent with the terms and provisions of the Escrow Agreement, the terms and provisions of this Agreement shall control.

#### 5. DELIVERIES TO ESCROW AGENT

**5.1 By Seller.** On or prior to the Closing Date, Seller will deliver or cause to be delivered to Escrow Agent:

(a) A special warranty deed (the "*Deed*"), generally in the form attached hereto as Exhibit C, duly executed and acknowledged by Seller and in recordable form, conveying the Real Property to Buyer;

(b) A Transferor's Certificate of Non-Foreign Status generally in the form reasonably acceptable to Buyer and Escrow Agent ("*FIRPTA Certificate*") which is duly executed by Seller;

(c) If applicable, an executed Assignment and Assumption ("*Assignment*") generally in the form attached hereto as Exhibit D;

Such resolutions, certificates of good standing and/or other trust, corporate or other documents, relating to Seller as are reasonably requested and required by the Title Company in connection with this transaction;

(d) An Owner's Affidavit as reasonably required by the Title Company

(e) A certification that all of Seller's representations and warranties set forth in this Agreement remain true and correct in all material respects as of the Closing Date;

(f) If not previously recorded by Seller, an amendment to the Declaration described in Section 6 below.

(g) Anything else reasonably requested by Buyer or the Title Company necessary to consummate the transaction contemplated by this Agreement.

**5.2 By Buyer.** On or prior to the Closing Date, Buyer will deliver or cause to be delivered to Escrow Agent the following items:

(a) The Purchase Price in accordance with Section 3;

(b) Such resolutions, certificates of good standing and/or other corporate, documents relating to Buyer as are reasonably required in connection with this transaction;

(c) If applicable, the executed Assignment; and

(d) Anything else reasonably requested by Seller or the Title Company necessary to consummate the transaction contemplated by this Agreement.

**5.3 By Seller and Buyer.** Buyer and Seller will each execute and/or deliver such other instruments consistent with this Agreement as are reasonably required by Escrow Agent or otherwise required to close. In addition, Seller and Buyer will designate the Title Company as the "*Reporting Person*" for the transaction pursuant to Section 6045(e) of the Internal Revenue Code.

## **6. CONDITION OF TITLE**

At the Closing, fee simple title to the Real Property will be conveyed to Buyer by Seller by the Deed, subject only to the following matters ("*Permitted Exceptions*"):

(a) a lien for real property taxes and governmental assessments not then due and payable;

(b) matters of title respecting the Real Property approved or deemed approved by Buyer in accordance with the provisions of this Agreement;

(c) matters affecting the condition of title to the Real Property created by, caused by or arising out of the actions of Buyer or any person acting by, through or under Buyer; and

(d) any matters shown by the Survey (as defined below) of the Real Property which are approved or deemed approved by Buyer in accordance with the provisions of this Agreement.

In no event shall any mortgage, security deed, lien, judgment or other claim against Seller or the Property (whether or not the same is disclosed in the Title Commitment or listed in Buyer's title objections) be a Permitted Exception hereunder and shall be discharged or bonded over by Seller (or insured over by the Title Company) prior to Closing; provided, however, any of the foregoing which is created, caused by or arises out of the actions of Buyer or any person acting by, through or under Buyer shall be a Permitted Exception.

Buyer acknowledges that Seller intends to encumber the Property by executing and recording an amendment to that certain Declaration of Protective Covenants and Property Owners' Association for the Commerce Center, executed by Seller, dated January 17, 2003, of record in Book 224, Page 407, in the Register's Office of Rutherford County, Tennessee, as the same may have been and may be amended from time to time (the "*Declaration*."). Seller represents and warrants that nothing contained in the Declaration, or in any future amendment to

the Declaration, prohibits or will prohibit Buyer's intended use of the Property, which intended use is: medical clinic, medical office, medical imaging, ambulatory surgery and any other legally permitted use. Any future amendment to the Declaration which burdens the Property shall be approved by Buyer prior to execution and recording, which approval shall not be unreasonably withheld, conditioned or delayed. The provisions of this paragraph shall survive the Closing for so long as Buyer owns the Property.

## **7. CONDITIONS TO CLOSING**

**7.1 Conditions Precedent to Buyer's Obligations.** The following conditions must be satisfied not later than the Closing Date or such other period of time as may be specified below:

(a) **Title and Survey.** Buyer will be responsible for obtaining a title commitment for the Property prepared by the Title Company (the "Title Commitment") at Buyer's expense. Buyer shall obtain a survey of the Property (the "Survey"), at Buyer's cost. The exact acreage of the Property shall be determined by the Survey and shall reflect the acreage needed by Buyer for its use of the Property, and shall be determined in Buyer's sole discretion subject, however, the Seller's approval of the layout and configuration of the Property as related to the remaining property of Seller, which approval shall not be unreasonably withheld. At or immediately prior to Closing, Buyer, shall cause the Property to be subdivided from the Garrison Drive Real Property. Seller shall cooperate with Buyer to obtain the subdivision of the Property. In the event Buyer cannot separately plat the Property from the Garrison Drive Real Property, Buyer shall be entitled to terminate this Agreement, receive a refund of the Earnest Money Deposit, and pursue its remedies pursuant to this Agreement.

Buyer will have until the expiration of the Due Diligence Period within which to examine the Title Commitment, the documents described therein and the Survey and notify Seller in writing of any title and Survey matters unacceptable to Buyer. If Buyer fails to notify Seller of any such unacceptable title and Survey matters by the expiration of the Due Diligence Period, title and Survey shall be deemed accepted, with the exception of any mortgages or other similar monetary encumbrances or liens against the Property (other than those caused by or arising out of the actions of Buyer or any person acting by, through or under Buyer) which must be released, satisfied, bonded over or insured over by the Title Company on or before the Closing Date. If Buyer timely notifies Seller of specific unacceptable title and Survey matters within the initial Due Diligence Period, Seller will have ten (10) days after receipt of Buyer's notification of any unacceptable title or Survey matters in which to advise Buyer that: (i) Seller will remove any objectionable exceptions to title and/or Survey or obtain acceptable and appropriate endorsements to the Title Policy on or before the Closing Date; or (ii) Seller will not cause the exceptions to be removed. If Seller advises Buyer in writing that it will not cause the exceptions to be removed, Buyer will have ten (10) days after such notification by Seller to elect, as Buyer's sole remedy, to: (i) proceed with the Closing and acquire the Property subject to such exceptions without reduction in the Purchase Price; or (ii) cancel this Agreement by written notice to Seller and the Escrow Agent, in which case the Earnest Money Deposit will be returned to Buyer and any reasonable escrow cancellation costs will be equally borne by Seller and by Buyer. If Buyer

does not give Seller notice of its election within such 10-day period, Buyer will be deemed to have elected to accept such exceptions.

(b) **Delivery of Copies.** Within five (5) business days of the Effective Date, Seller shall deliver the Diligence Items to Buyer. Seller represents and warrants that, to its actual knowledge, the copies of the Diligence Items delivered to Buyer are complete copies of the originals. Buyer acknowledges that Seller cannot represent the accuracy of the contents of the documents and information produced by third parties and provided to Buyer, but Seller does represent and warrant that, to its actual knowledge, Seller has delivered complete copies of those materials in Seller's possession or control as required by this Agreement.

(c) **Inspections and Studies.** (i) Subject to the provisions of Section 18 below, Buyer shall have until the end of the Due Diligence Period in which to make any and all inspections, investigations, tests and studies as Buyer elects to make or obtain. For purposes of the inspections, tests and investigations contemplated by this Section 7.1(c), Seller shall give those persons inspecting the Property at Buyer's request reasonable access to the Property subject to the terms of Section 18. At any time during the Due Diligence Period, as the same may be extended pursuant to the terms of this Agreement, as a result of due diligence and evaluation, or for any other reason, Buyer shall have the right to terminate this Agreement and recover the Earnest Money Deposit by the delivery of a written notice of termination ("**Termination Notice**") to Seller and Escrow Agent. If Buyer timely delivers a Termination Notice, then this Agreement shall immediately terminate without further liability (except as expressly set forth in this Agreement) on the part of Buyer or Seller and the Earnest Money Deposit and all other funds deposited by Buyer in Escrow (together with all interest accrued thereon) shall be paid to Buyer by Escrow Agent in accordance with Section 3.1 above. If Buyer fails to timely send Seller a Termination Notice prior to the end of the Due Diligence Period, as the same may be extended pursuant to the terms hereof, then Buyer will be deemed to have accepted the condition of the Property and all other matters relating to the Property as referenced in this Section 7.1(c), and the Earnest Money Deposit shall be deemed to be earned by Seller and shall become non-refundable to Buyer (provided Seller otherwise complies with this Agreement and does not default). Buyer will pay for all inspections, tests and studies conducted during the Due Diligence Period.

(ii) **Extension of Due Diligence Period.** Buyer shall have the right, upon delivery of written notice to Seller prior to the expiration of the initial 180-day Due Diligence Period, to extend the Due Diligence Period for an additional thirty (30) day period (the "**First Due Diligence Extension Period**"). Upon the exercise of such extension option, Ten Thousand Dollars (\$10,000.00) of the Earnest Money Deposit shall become non-refundable to Buyer (provided Seller otherwise complies with this Agreement and does not default,) but shall be credited to the Purchase Price. Further, Buyer shall have the right, upon delivery of written notice to Seller prior to the expiration of the First Due Diligence Extension Period, to extend the Due Diligence Period for an additional thirty (30) day period (the "**Second Due Diligence Extension Period**"). Upon the exercise of such extension option, an additional Ten Thousand Dollars (\$10,000.00) of the Earnest Money Deposit shall become non-refundable to Buyer (provided Seller otherwise complies with this Agreement and does not default,) but shall

continue to be applicable to the Purchase Price. Buyer shall have the right, upon delivery of written notice to Seller prior to the expiration of the Second Due Diligence Period, to extend the Due Diligence Period for an additional thirty (30) day period (the "*Third Due Diligence Extension Period*"). Upon the exercise of such extension option, an additional Ten Thousand Dollars (\$10,000.00) of the Earnest Money Deposit shall become non-refundable to Buyer (provided Seller otherwise complies with this Agreement and does not default,) but shall be credited to the Purchase Price.

(d) **Representations, Warranties and Covenants of Seller.** Seller will have duly performed, in all material respects, each and every agreement to be performed by Seller hereunder and, Seller shall have certified to Buyer that all representations and warranties set forth in this Agreement will be true and correct in all material respects as of the Closing Date.

(e) **No Material Changes.** As of the Closing Date, there will be no material adverse changes in the physical condition of the Property which have occurred after the Due Diligence Period (unless such changes are caused by Buyer or any person acting by, through or under Buyer).

(f) **Seller's Deliveries.** As of the Closing Date, Seller will have delivered the items described in Section 5.1.

(g) **Title Insurance.** As of the Closing Date, the Title Company will have unconditionally committed to issue the Title Policy to Buyer in the amount of the Purchase Price subject only to the Permitted Exceptions, with any endorsements required by Buyer

The conditions set forth in this Section 7.1 are solely for the benefit of Buyer and may be waived only by Buyer. At all times Buyer has the right to waive any condition and such waiver or waivers must be in writing to Seller.

**7.2 Conditions Precedent to Seller's Obligations.** The following conditions must be satisfied not later than the Closing Date or such other period of time as may be specified below:

(a) **Buyer's Deliveries.** Buyer will have delivered the items described in Section 5.2.

(b) **Accuracy of Representations and Warranties.** Buyer will have certified to Seller the continued accuracy in all material respects of the representations and warranties of Buyer set forth herein.

The conditions set forth in this Section 7.2 are solely for the benefit of Seller and may be waived only by Seller. At all times Seller has the right to waive any condition and such waiver or waivers must be in writing to Buyer.

## 8. NORTHFIELD BOULEVARD EXTENSION

Seller shall acquire the right of way, design and construct the extension of Northfield Boulevard between Thompson Lane and Garrison Road generally as shown on Exhibit F attached hereto and incorporated herein by reference (the "Northfield Boulevard Extension"), and construction shall be complete within twelve months of the issuance of a Building Permit for construction of building improvements of Phase 1, as such term is hereinafter defined. This covenant of Seller shall survive the Closing until the construction of the Northfield Boulevard Extension is completed. Seller shall provide Buyer with the design and engineering plans for the Northfield Boulevard Extension not later than sixty (60) days after the Effective Date. The design and engineering plans for the Northfield Boulevard Extension as it abuts the Property, including the location of the curb cuts for the Property and the location of the median in the right of way, shall be subject to Buyer's approval, which approval shall not be unreasonably withheld. The access points from the Property to the Northfield Boulevard Extension shall provide full access to the Northfield Boulevard Extension (including right in, right out, left in, and left out access). The parties acknowledge and agree that the Northfield Boulevard Extension shall be a five-lane cross section road with one hundred (100) feet of right of way, allowing for a five (5) foot grass strip, a five (5) foot sidewalk on one side, and a ten (10) foot multi-use path on the other side of the right of way.

## 9. COSTS AND EXPENSES

### 9.1 Seller will pay:

- (a) one-half of all escrow fees and costs charged by Escrow Agent;
- (b) Seller's share of prorations; and
- (d) the cost of any title defects Seller elects to insure over.

### 9.2 Buyer will pay:

- (a) all document recording charges, documentary fees and transfer taxes;
- (b) all endorsements requested by Buyer or Buyer's lender, but excepting the cost of endorsements for any title defects Seller elects to insure over;
- (c)
- (d)
- (e) (c) all search fees and premiums for the Title Policy;
- (b) one-half of all escrow fees and costs charged by Escrow Agent; and
- (f) Buyer's share of prorations.

Buyer and Seller will each pay all legal and professional fees and fees of other consultants incurred by Buyer and Seller, respectively. All other closing and escrow costs and

expenses will be allocated between Buyer and Seller in accordance with the customary practice in Rutherford County, Tennessee.

## **10. PRORATIONS**

### **10.1 Taxes.**

Seller shall pay at Closing all delinquent real estate taxes and all delinquent governmental assessment installments affecting the Property, including penalties and interest thereon. Real estate taxes and assessments for the year of closing ("*Real Estate Taxes*") shall be pro-rated at Closing.

**10.2 Method of Proration.** All prorations will be made as of the Closing Date based on a 365 day year or a 30 day month, as applicable.

**10.3 Other Income and Expenses.** All other income from, and expenses of, the Property, including but not limited to public utility charges, maintenance charges and service charges shall be prorated as of the Closing Date. To the extent that information for any such proration is not available at the Closing, the parties shall effect such proration within thirty (30) days after information first becomes available.

## **11. DISBURSEMENTS AND OTHER ACTIONS BY ESCROW AGENT**

At Closing, Escrow Agent will promptly undertake all of the following:

**11.1 Funds.** Disburse all funds deposited with Escrow Agent by Buyer in payment of the Purchase Price; deduct or credit all items chargeable to the account of Seller and/or Buyer pursuant to Sections 9 and 10; disburse the balance of the Purchase Price to Seller and the remaining balance of the funds, if any, to Buyer promptly upon Closing.

**11.2 Recording.** If not previously recorded by the Seller, the amendment to the Declaration described in Section 6 will be recorded prior to recording the Deed. The Deed to be recorded with the Rutherford County Recorder's Office and obtain copies thereof for distribution to Buyer and Seller.

**11.3 Title Policy.** Issue the Title Policy to Buyer.

**11.4 Delivery of Documents to Buyer or Seller.** Deliver to Buyer the FIRPTA Certificate, Assignment, and any other documents (or copies thereof) deposited into Escrow by Seller.

## **12. JOINT REPRESENTATIONS AND WARRANTIES**

In addition to any express agreements of the parties contained herein, the following constitute representations and warranties of the parties each to the other, each of which shall survive the Closing.



**12.1 Power and Authority.** Each party has the legal power, right and authority to enter into this Agreement and prior to the Closing shall have the legal power, right and authority to enter into the instruments referenced herein, and to consummate this transaction.

**12.2 No Further Action.** All requisite action (municipal, corporate, limited liability company, trust, partnership or otherwise) has been taken by each party in connection with the entering into of this Agreement, and prior to the Closing all requisite action (corporate, limited liability company, trust, partnership or otherwise) shall have been taken by each party in connection with the execution and delivery of the instruments referenced herein, and the consummation of this transaction. No further consent of any partner, shareholder, creditor, investor, judicial or administrative body, governmental authority or other party is required.

**12.3 Authority of Individuals.** The individuals executing this Agreement and the instruments referenced herein on behalf of each party and the partners, officers or trustees of each party, if any, have the legal power, right, and actual authority to bind each party to the terms and conditions of those documents.

**12.4 Enforceable Agreements.** This Agreement and all other documents required to close this transaction are and will be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

**12.5 No Litigation.** To the actual knowledge of each party, there is no action, suit, claim, investigation or proceeding pending against each party before or by any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality which would prevent either party from performing its obligations pursuant to this Agreement.

**12.6 OFAC.** Neither Seller nor Buyer nor any of their respective partners, members, shareholders or other equity owners is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action.

### **13. SELLER'S WARRANTIES, REPRESENTATIONS AND COVENANTS**

Seller makes the following representations and warranties and acknowledges that Buyer will rely on such representations and warranties in acquiring the Property. In each case under this Section 13 in which Buyer has the right to consent to any action by Seller, except as otherwise provided herein, Buyer may withhold such consent in its reasonable discretion.

**13.1 No Leases.** There are and there will be no parties in possession of any portion of the Property as lessees, and no other party has been granted an oral or written license, lease, option, purchase agreement or other right pertaining to the use, purchase or possession of any portion of the Property. Seller has entered into no leasing brokerage agreements or leasing commission agreements or other leasing activities with respect to the Property. Buyer shall have no liability for (and Seller indemnifies Buyer against any claim for) any such leasing commissions arising prior to the Closing Date.

**13.2 No Agreements.** On the Closing Date, there shall not be any agreements or understandings by and between Seller and any third parties with respect to or relating to the Property, except for the Permitted Exceptions. Seller has not entered into any agreement to dispose of its interest in the Property or any part thereof, except for this Agreement.

**13.3 Not Foreign Person.** Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code.

**13.4 No Litigation.** As of the date of this Agreement, Seller has received no written notice of any pending or threatened condemnation or similar proceeding or assessment affecting the Property or any part thereof, nor to the knowledge of the Seller is any such proceeding or assessment contemplated by any governmental authority. As of the date of this Agreement, Seller has received no written notice of any public plans or proposals for changes in road grade, access, or other municipal improvements which would materially and adversely affect the Property or result in any assessment. Seller is not a party to any litigation affecting or relating to the Property which is still pending, and Seller has no actual knowledge of any threatened litigation, affecting or relating to the Property. Seller shall advise Buyer immediately if Seller acquires knowledge of or receives written notice of any litigation, condemnation, taking or other administrative proceedings instigated or threatened against the Property.

**13.5 No Violations.** To the best of Seller's knowledge, the Property is not in violation of any ordinance, regulation, law, statute, rule or restriction relating to the Property. As of the date of this Agreement, the Seller has not received any written notice of any violation of any ordinance, regulation, law, statute, rule or restriction relating to the Property.

**13.6 No Alterations.** Other than the construction of the Northfield Boulevard Extension and except as required by applicable law, Seller will not make any material alterations to the Property during or after the Due Diligence Period without Buyer's consent, which will not be unreasonably withheld.

**13.7 No Attachments, etc.** To Seller's actual knowledge, there are no attachments, executions, assignments for the benefit of creditors, or voluntary or involuntary proceedings in bankruptcy or under any applicable debtor relief laws or any other litigation contemplated by or pending or threatened against the Seller or the Property.

**13.8 Hazardous Materials.** Neither the Seller, nor to the best of Seller's information and belief, any other party has ever caused or permitted any "hazardous material" (as hereinafter defined) to be placed, held, located, or disposed of on, under, or at the Property or any part

thereof in forms or concentrations which violate applicable laws and regulations. To Seller's actual knowledge, neither the Property nor any part thereof has ever been used as a dump or storage site (whether permanent or temporary) for any hazardous material, and no spill or release of any hazardous material has ever occurred on or adjacent to the Property. As of the date of this Agreement, and except as disclosed by the Due Diligence Items, Seller has no actual knowledge of the presence of any hazardous materials on, in or under the Property. As used herein, "hazardous material" means and includes any hazardous, toxic, or dangerous waste, substance, or material defined as such in, or for purposes of, the Comprehensive Environmental Response, Compensation Liability Act (42 U.S.C. Section 9601, et seq., as amended) or any other "super fund" or "super lien" law or any other Federal, State, or local statute, or law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability for standards of conduct concerning any substance or material, as presently in effect.

**13.10 Insurance.** Seller shall maintain until the Closing Date current levels of insurance.

**13.11 Affirmative Covenants.** So long as this Agreement remains in full force and effect, Seller will:

(a) Maintain the Property in accordance with current practices. Except as required by applicable law, Seller will not make any material alterations to the Real Property after the Effective Date and prior to Closing without Buyer's consent, which will not be unreasonably withheld or delayed. With respect to any material alterations required by law, Seller shall give Buyer written notice of such alterations which shall include a detailed description of such alterations. During the term of this Agreement, Seller shall not enter into any new lease, renew, extend, modify or terminate any existing lease, or accept or approve any sublease without the prior written consent of Buyer.

(b) After the Due Diligence Period has expired and prior to Closing, Seller shall not enter into any contract, agreement or lease providing for the provision of goods or services to or with respect to the Property or the operation thereof unless such contracts or agreements can be terminated without penalty by the Closing Date.

**13.12 Buyer's Warranties, Representations and Covenants.**

Buyer Makes the following representations and warranties, and acknowledges that Seller will rely on such representations and warranties in closing the sale of the Property to Buyer. In each case under this Section 13.12 in which Seller has the right to consent to any action or non-action by Buyer, Seller may withhold such consent in its reasonable discretion.

(a) Buyer understands that the Property is subject to the City's Gateway Design Overlay District zoning and to the Gateway Design Review Committee.

(b) Buyer understands that, at any time, the Property may be made subject to a governmental district, zone or agreement dedicating or allocating sales taxes, property taxes or other tax proceeds generated on or from the Property or uses thereof, for a special use or uses and Buyer agrees for itself and, by inclusion of a provision in all subsequent deeds or leases of the Property, for any and all future owners and tenants of its Property to consent and raise no

objection to any such district, zone or agreement, provided said action does not prevent Buyer from developing the Property for its intended purpose and provided further that said action does not increase the amount of tax paid by Buyer or subsequent owners or tenants of the Property.

(c) Buyer acknowledges that the City shall have no obligation in its capacity as a municipal government to take any action, or to refrain from taking any action, or to waive any fee or procedure to which Buyer's proposed use of development of the Property would be subject if the Property were being sold by a private person or entity rather than a municipal government. Approval of this Agreement or any of its terms or provisions shall not in any way function as a substitute for any approval of any use or development of the Property by Buyer which is otherwise required by local, state or federal law.

(d) By executing this Agreement Buyer is representing that it is not directly or indirectly owned by any member of the Murfreesboro City Council, by any member of the Murfreesboro Gateway Commission, or by any officer of the City (said term to include the City Manager, City Recorder, City Treasurer, City Judge and City Attorney) or by any of the City's negotiators or representatives, including but not limited to the Rutherford County Chamber of Commerce Economic Development Director and the Assistant City Manager. Buyer represents and commits that no compensation, kickback, gratuity, or other payment or gift of value will be made by Buyer or any intended owner or tenant of the Property to any of the individuals hereinabove mentioned; ordinary campaign contributions are not hereby prohibited.

(e) Buyer will take, or cause to be taken, all action necessary to cause the foregoing warranties and representations to remain true and correct in all respects from the date hereof through the Closing Date and will refrain from taking any action which would cause, or threaten to cause, any such warranties and representations to become incorrect or untrue at any time during such period, unless this Agreement contemplates the taking of such action and the consequent modification of certain warranties and representations.

(f) The covenants, warranties and provisions set forth in the foregoing provisions are clearly intended to survive the closing, shall not merge into the documentation from this transaction, and shall survive the closing of this transaction. Buyer shall notify City of any material change which occurs in or pertaining to the foregoing warranties and representations from the date hereof through the Closing Date.

#### 14. CONDEMNATION AND DESTRUCTION

**14.1 Eminent Domain or Taking.** If Seller receives written notice of any proceedings under a power of eminent domain relating to the Property or any part thereof, or if Seller receives any notice for a contemplated exercise of eminent domain and relating to the Property, Seller shall promptly inform Buyer in writing.

(a) If such proceedings involve the taking of title to any interest in the Property, Buyer may, unless Buyer had actual notice of such proceedings prior to the expiration of the Due Diligence Period, elect to terminate this Agreement by notice in writing sent within

20 days of Seller's written notice to Buyer, in which case the Earnest Money Deposit and all funds deposited by Buyer into Escrow and any interest thereon, less Buyer's share of escrow fees, will be returned to Buyer and neither party shall have any further obligation to or rights against the other except any rights or obligations of either party which are expressly stated to survive termination of this Agreement.

(b) If Buyer does not elect to terminate this Agreement, this transaction will be consummated as described herein and any award or settlement payable with respect to such proceeding will be assigned to Buyer upon Closing.

**14.2 Damage or Destruction.** Except as provided in this Section, prior to Closing the entire risk of loss or damage by earthquake, flood, landslide, fire or other casualty is borne and assumed by Seller. If, prior to Closing, any part of the Property is damaged or destroyed by earthquake, flood, fire or other casualty, Seller will promptly inform Buyer of such fact in writing and advise Buyer as to the extent of the damage. Buyer has the option to terminate this Agreement upon written notice to Seller given not later than 20 days after receipt of Seller's written notice to Buyer advising of such damage or destruction.

(a) If this Agreement is so terminated, Buyer will be entitled to the return of the Earnest Money Deposit and all other funds deposited by Buyer into Escrow together with any interest thereon earned in Escrow less one-half of Escrow costs and expenses incurred at such time.

(d) If Buyer does not exercise this option to terminate this Agreement, Buyer shall close the purchase of the Property in its condition (with respect to the damage covered by insurance) on the Closing Date and take an assignment of the insurance proceeds, if any, in which event Seller shall assign such insurance proceeds to Buyer, shall permit Buyer to conduct any remaining settlement or other negotiations with the insurer as to the amount of proceeds payable on account of the damage and shall give Buyer a credit against the Purchase Price equal to the deductible amount, if any, under Seller's insurance policy. If Buyer does not exercise the option to terminate this Agreement, or and if the casualty is not covered by insurance, the Purchase Price shall be equitably reduced by the value of the damaged portion of the Property, and this transaction will close pursuant to the terms of this Agreement.

## 15. INDEMNIFICATION

**15.1 Indemnification by Seller.** To the extent allowable under applicable state law, Seller agrees to indemnify, defend and hold Buyer harmless for, from and against any and all claims, demands, liabilities, costs, expenses (including without limitation attorneys' fees) damages and losses, cause or causes of action and suit or suits of any nature whatsoever arising from any material misrepresentation or material breach of representation or warranty of Seller set forth in this Agreement or the Assignment.

**15.2 Indemnification by Buyer.** Buyer agrees to indemnify, defend and hold Seller harmless for, from and against any and all claims, demands, liabilities, costs, expenses (including

without limitation attorneys' fees) damages and losses, cause or causes of action and suit or suits arising out of the ownership and/or operation of the Property after the Closing Date (unless caused by the negligence or intentional misconduct of Seller or its agents).

## 16. NOTICES

Any notice, request, demand, statement or consent desired or required to be given hereunder shall be in writing and shall be delivered by hand, sent by a nationally recognized commercial overnight delivery service with provisions for a receipt, by fax or by e-mail, and unless actual receipt is specified herein, shall be deemed given (i) when actually delivered, if delivered by hand, (ii) the next business day after being placed in the possession of an overnight delivery service, if sent by a nationally recognized overnight delivery service, (iii) on the day transmitted if sent by fax or e-mail during normal business hours (5:00 p.m., local time of the recipient) with proof of transmission, and (iv) the next business day after acknowledgement of receipt, if by fax or e-mail after normal business hours, and shall be addressed to the addresses set forth in Section 1.

## 17. BROKER

Seller represents and warrants to Buyer, and Buyer represents and warrants to Seller, that no broker or finder has been engaged by them, respectively, except for Broker, in connection with any of the transactions contemplated by this Agreement, or to its knowledge is in any way connected with any of such transactions. The parties acknowledge that Broker will not be paid any commission with respect to this transaction. Buyer will indemnify, hold harmless and defend Seller from any liability, cost or expense arising out of or connected with any claim for any commission or compensation made by any person or entity claiming to have been retained or contacted by Buyer in connection with this transaction. To the extent allowable under applicable state law, Seller will indemnify, hold harmless and defend Buyer from any liability, cost or expense arising out of or connected with any claim for any commission or compensation made by any person or entity, claiming to have been retained or contacted by Seller in connection with this transaction.

## 18. ENTRY

18.1 During the Due Diligence Period, Buyer shall have the right to review and inspect the Property, the Diligence Items and any other aspect of the Property, including but not limited to, environmental, engineering, structural, financial, title, and survey matters, and to accept the results thereof. If Buyer does not terminate this Agreement pursuant to Section 7(c) above, Buyer shall have the continuing right until Closing to make such additional reviews and inspections of the Property as Buyer deems reasonably necessary or desirable, however, any such additional reviews and inspections will not affect Buyer's election to proceed with the purchase of the Property. Buyer, its employees, consultants, agents, representatives or contractors (collectively, the "Buyer's Representatives") may enter the Property during normal business hours for purposes of reviewing the Property and for the purposes of conducting such surveys, soil analysis, inspections, tests and studies as Buyer deems necessary in its sole and absolute

discretion. Buyer shall repair any damage to the Property resulting from Buyer's tests or inspections and Buyer shall indemnify, defend and hold Seller harmless from and against all loss, cost, damage and liability (including without limitation, reasonable attorney's fees) which may be asserted or recovered by or against Seller arising by reason of any such tests or inspections. This indemnification made by Buyer shall survive the termination of this Agreement for a period of one year. Neither Buyer nor Buyer's Representatives shall conduct any blast or blasting operation without notice to and approval by the Seller.

## **19. REMEDIES OF BUYER AND SELLER**

**19.1 Seller Default; Buyer Remedies.** If Closing of and the consummation of the transactions and covenants contemplated by this Agreement do not occur by reason of default by Seller, and Buyer has complied with its obligations herein and has given written notice to Seller and Escrow Agent of such default, then Buyer will be entitled, as its sole and exclusive remedy, to terminate this Agreement by written notice to Seller and Escrow Agent and obtain the return of its Earnest Money Deposit and any other funds deposited by Buyer with Escrow Agent, and may recover any costs of Buyer with respect to its inspection of the Property, development of plans for the Property, or construction on the Property. In the event of a Seller default, all escrow cancellation costs shall be paid by Seller. Nothing herein shall limit, waive or affect Seller's or Buyer's indemnity obligations under this Agreement which are intended to survive termination of this Agreement. In the event Buyer successfully brings suit or action to enforce its rights under this Agreement, Buyer shall be entitled to recover from Seller reasonable attorneys' fees, court costs and litigation expenses in connection therewith.

**19.2 Buyer's Default; Seller Remedies.** If Closing and the consummation of the transaction herein contemplated does not occur as herein provided by reason of any default of Buyer, and Buyer fails to complete the purchase of the Property, Seller may terminate this Agreement by written notice to Buyer and Escrow Agent and obtain delivery of Buyer's Earnest Money Deposit and any other funds deposited by Buyer with the Escrow Agent. Buyer and Seller agree that it would be impractical and extremely difficult to estimate the damages suffered by Seller as a result of Buyer's failure to complete the purchase of the Property pursuant to this Agreement, and that under the circumstances existing as of the date of this Agreement, the liquidated damages provided for in this Section represent a reasonable estimate of the damages which Seller will incur as a result of such failure. Therefore, Buyer and Seller hereby agree that a reasonable estimate of the total damages that Seller would suffer in the event that Buyer defaults and fails to complete the purchase of the Property is an amount equal to the Earnest Money Deposit. Said amount will be the full, agreed and liquidated damages for the breach of this Agreement by Buyer, and after prompt payment thereof to Seller, neither party shall have any further obligation to or rights against the other except any rights or obligations of either party which are expressly stated to survive termination of this Agreement. In the event of a Buyer default, all escrow cancellation costs shall be paid by Buyer. Nothing herein shall limit, waive or affect Seller's or Buyer's indemnity obligations under this Agreement which are intended to survive termination of this Agreement. In the event Seller successfully brings suit or action to enforce the foregoing liquidated damages provision, Seller shall be entitled to recover from Buyer its actual attorneys' fees, court costs and litigation expenses in connection therewith.



## 20. ASSIGNMENT

Buyer will not assign this Agreement without obtaining Seller's prior written consent, which consent may be granted or denied by Seller in its sole discretion. Notwithstanding the foregoing, Buyer shall have the right to assign this Agreement to an entity controlled by, under common ownership with, or the parent of Buyer, or to an entity required by Buyer to implement any financing of Buyer, without the prior consent of the Seller.

## 21. RIGHT TO REQUIRE RECONVEYANCE.

(a) Buyer and Seller acknowledge and agree that, in the event that Buyer has not begun construction of building improvements for an approximately 37,500 medical clinic and ambulatory surgery center ("Phase 1") on the Property by the date that is one year from the Closing Date, subject to Force Majeure, Seller may require that Buyer reconvey the Property to Seller for the Purchase Price (the "Repurchase Right"). Closing costs for the reconveyance shall be allocated as set forth in this Agreement for the initial purchase of the Property. In order to exercise the Repurchase Right, Seller must give Buyer written notice, and such reconveyance shall occur within a reasonable time of Buyer's receipt of such written notice. In the event that Seller has not provided Buyer with written notice of its exercise of the Repurchase Right prior to Buyer beginning construction of building improvements, the Repurchase Right shall be null and void.

(b) Buyer and Seller acknowledge and agree that the Property to be purchased by Buyer pursuant to the terms of this Agreement includes real property for a contemplated expansion of the medical facilities included in Phase 1 that will consist of approximately sixty-two thousand (62,000) additional square feet of facilities for the intended use of the Property: medical clinic, medical office, medical imaging, ambulatory surgery and any other legally permitted use. Such contemplated expansion may be completed in one or more phases, and is herein referred to as "Phase 2" for purposes of simplicity. As of the Effective Date, Buyer does not have a definitive program for the development of Phase 2, and does not have the corporate approvals necessary for the development of Phase 2. Notwithstanding the foregoing, Buyer and Seller acknowledge and agree that, in the event that Buyer has not begun construction of building improvements for Phase 2 by the date that is 10 years from the Closing Date, subject to Force Majeure, Seller may require that Buyer reconvey that portion of the Property upon which Buyer has not commenced construction (the "Phase 2 Area") to Seller for an amount equal to the portion of the Purchase Price allocated to the Phase 2 Area upon the Closing Date (the "Phase 2 Repurchase Right"). Closing costs for such reconveyance shall be allocated as set forth in this Agreement for the initial purchase of the Property.

Notwithstanding the foregoing, Buyer and Seller acknowledge and agree that the Phase 2 Area subject to the Phase 2 Repurchase Right shall not include any parking areas, detention areas or similar areas constructed by Buyer as part of Phase 1, and no portion of the Phase 2 Area shall include any green space or similar areas required by applicable laws for Phase 1, or any portion of the Property that would cause Phase 1 to be in violation of applicable laws, or negatively impact Buyer's existing operations in Phase 1. Further, the reconveyance of Phase 2 shall not



impact Buyer's access to or visibility from adjoining public right of ways. In order to exercise the Phase 2 Repurchase Right, Seller must give Buyer written notice, and such reconveyance shall occur within a reasonable time of Buyer's receipt of such written notice. In the event that Seller has not provided Buyer with written notice of its exercise of the Phase 2 Repurchase Right prior to Buyer beginning construction of building improvements for Phase 2, the Repurchase Right shall be null and void.

## **22. MISCELLANEOUS**

**22.1 Counterparts.** This Agreement may be executed in counterparts, all of which when taken together shall constitute one original fully executed Agreement. Signatures delivered in an electronic format may be used in place of original signatures on this Agreement. Each party intends to be bound by the signatures on any electronic format of this Agreement, is aware that the other parties will rely on such electronic format, and hereby waives any defenses to the enforcement of the terms hereof based on the fact that any signatures are in an electronic format.

**22.2 Partial Invalidity.** If any term or provision of this Agreement shall be deemed to be invalid or unenforceable to any extent, the remainder of this Agreement will not be affected thereby, and each remaining term and provision of this Agreement will be valid and be enforced to the fullest extent permitted by law.

**22.3 Possession of the Property.** Seller will deliver possession of the Property to Buyer upon Closing.

**22.4 Waivers.** No waiver of any breach of any covenant or provision contained herein will be deemed a waiver of any preceding or succeeding breach thereof, or of any other covenant or provisions contained herein. No extension of time for performance of any obligation or act will be deemed an extension of the time for performance of any other obligation or act except those of the waiving party, which will be extended by a period of time equal to the period of the delay.

**22.5 Successors and Assigns.** This Agreement is binding upon and inures to the benefit of the permitted successors and assigns of the parties hereto.

**22.6 Entire Agreement.** This Agreement (including all Exhibits listed below and attached hereto) constitutes the entire contract between the parties hereto and may not be modified except by an instrument in writing signed by the party to be charged.

Exhibit A	Real Property
Exhibit B	Escrow Agreement
Exhibit C	Deed
Exhibit D	Assignment and Assumption
Exhibit E	Diligence Items

Exhibit F      Northfield Boulevard Extension

**22.7 Time of Essence.** Seller and Buyer hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation and provision hereof.

**22.8 Construction.** This Agreement has been prepared by Buyer and its professional advisors and reviewed by Buyer and its professional advisors. Seller and Buyer and their respective advisors believe that this Agreement is the product of all of their efforts, that it expresses their agreement and that it should not be interpreted in favor of or against either Buyer or Seller. The parties further agree that this Agreement will be construed to effectuate the normal and reasonable expectations of a sophisticated Seller and Buyer.

**22.9 Governing Law.** This Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Tennessee. Venue for any litigation by either party shall be in the Circuit or Chancery Courts of Rutherford County, Tennessee.

**22.10 Confidentiality.** Unless otherwise agreed to in writing by Seller and Buyer, each party will keep confidential the terms of this Agreement, all documents, reports or other information provided to, or generated by the other party relating to the Property and will not disclose any such information to any person other than (a) those employed by Seller or Buyer; (b) those who are actively and directly participating in the evaluation of the Property and the negotiation and execution of this Agreement or financing of the purchase of the Property; (c) governmental, administrative, regulatory or judicial authorities in the investigation of the compliance of the Property with applicable legal requirements; and (d) those persons to whom disclosures are required by applicable law, provided that the scope of such required disclosures does not exceed that required by such applicable law.

**22.11 No Recordation.** No memorandum or other document relating to this Agreement shall be recorded.

**22.12 Survival.** Unless another time period is specified therein, the obligations and indemnifications contained in this Agreement shall survive the Closing for a period of twelve (12) months.

**22.13 Dates.** Whenever any determination is to be made or action is to be taken on a date specified in this Agreement, if such date shall fall on Saturday, Sunday or legal holiday under the laws of the State of Tennessee, then in such event said date shall be extended to the next day which is not a Saturday, Sunday or legal holiday. All references in this Agreement to "the date hereof," "the date of this Agreement" or similar references shall be deemed to refer to the Effective Date.

**22.14 Garrison Drive Curb Cut.** Seller acknowledges and agrees that the Property shall have a curb cut onto Garrison Drive. The location of such curb cut shall be mutually agreed upon by Buyer and Seller during the Due Diligence Period. The access points from the Property to

Garrison Drive shall provide full access to Garrison Drive (including right in, right out, left in, and left out access).

**22.15. Approval by Council.** This Agreement shall have no force or effect whatsoever until approved by the Murfreesboro City Council.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

**"SELLER"**

THE CITY OF MURFREESBORO,  
TENNESSEE

By: [Signature]  
Name: Shane McFarland  
Title: Mayor

**ATTEST**

By: [Signature]  
Melissa Wright, City Recorder

**APPROVED AS TO FORM**

By: [Signature]  
Craig D. Tindall  
City Attorney

APPROVED BY MURFREESBORO CITY  
COUNCIL: March 15, 2018

The undersigned acknowledges receipt of this Agreement and agrees to act as ESCROW  
AGENT.

**FIDELITY NATIONAL TITLE INSURANCE COMPANY**

By: [Signature]  
Name: Stuart Jones  
Title: Underwriting Counsel

**"BUYER"**

VANDERBILT UNIVERSITY MEDICAL  
CENTER

By: [Signature]  
Name: John F. Manning, Jr.  
Title: Chief Operating Officer,  
Corporate Chief of Staff

EXHIBIT A

DESCRIPTION OF GARRISON DRIVE REAL PROPERTY



## EXHIBIT B

### ESCROW AGREEMENT

THIS ESCROW AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 2018 by and among THE CITY OF MURFREESBORO, TENNESSEE ("Seller"), VANDERBILT UNIVERSITY MEDICAL CENTER, a Tennessee nonprofit corporation ("Buyer") and FIDELITY NATIONAL TITLE INSURANCE COMPANY ("Escrow Agent") who agree as follows:

1. **Recitals.** Buyer and Seller have entered into that certain Purchase and Sale Agreement dated as of \_\_\_\_\_, 2018, a copy of which is attached hereto (the "Contract"). Buyer, Seller and Escrow Agent each wish to memorialize their agreement as to deliveries to Escrow Agent and payment and disbursement of the Purchase Price under the Contract.
2. **Agreement.** Escrow Agent agrees to hold, manage and disburse deliveries by Seller and Buyer and the Purchase Price as provided in the Contract subject to the following:
  - a. Escrow Agent undertakes to perform only such duties as are expressly set forth herein and are limited to the disbursement of the Purchase Price and the delivery and recordation of documents in accordance with the terms of this Agreement and the Contract and safekeeping of other monies deposited into escrow in accordance with the terms of this Agreement and the Contract. If monies deposited into escrow are to be interest bearing, such monies shall only accumulate interest from and after the date that Escrow Agent receives a completed W-9 form from Buyer.
  - b. Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, assume the validity and accuracy of any statement or assertion contained in such a writing or instrument and assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been fully authorized to do so. Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to the form, manner and execution or validity of any document delivered to the Escrow Agent, any notice received relative to this Agreement or the identity, authority or right of any person executing the same.
  - c. Provided that Escrow Agent is not guilty of willful misconduct or gross negligence or otherwise breaches this Agreement, Buyer and Seller release Escrow Agent, its officers, directors and agents, from any and all claims, liabilities, suits or proceedings at law or in equity and any other expenses, fees or charges which they may incur by reason of the subject matter of this Agreement.
  - d. Provided that Escrow Agent is not guilty of willful misconduct or gross negligence or otherwise breaches this Agreement, Buyer and Seller, to the extent allowable under applicable state law, jointly and severally agree to indemnify Escrow Agent, its officers, directors and agents, from any and all claims, liabilities, suits or proceedings at law or in equity and any other reasonable expenses, fees or charges which Escrow

Agent may incur by reason of the subject matter of this Agreement and shall promptly reimburse Escrow Agent for the same upon written demand from Escrow Agent.

- e. Escrow Agent shall be discharged of any responsibility hereunder at such time Escrow Agent has disposed of the Purchase Price and other monies deposited into escrow as provided for in this Agreement and complied with the disposition of the deliveries and recordation requirements set forth in the Contract.
- f. If Escrow Agent determines that Buyer and Seller are in disagreement about the propriety of any action contemplated by Escrow Agent hereunder, Escrow Agent shall have the absolute right to do the following:
  - i. withhold and stop all disbursements for a period of thirty (30) days; and
  - ii. at any time after such 30-day period, file a suit in interpleader in a court of competent jurisdiction seeking to require the parties to interplead and litigate in such court their several claims and rights among themselves. Upon the filing of such a suit and a deposit of all monies then held by Escrow Agent relating to the Contract to such court, Escrow Agent shall ipso facto be fully released and discharged from all obligations to further perform any and all duties imposed upon it by this Agreement. Buyer and Seller shall reimburse Escrow Agent for any reasonable expenses, fees or charges that Escrow Agent may incur by reason of the interpleader promptly upon written demand from Escrow Agent.
- g. Escrow Agent may, in its sole discretion, elect to resign in its capacity as Escrow Agent under this Agreement upon not less than thirty (30) days written notice to Buyer and Seller.
- h. Escrow Agent shall disburse the Purchase Price in accordance with the Contract and this Agreement.
- i. All notices or other communications authorized, required or permitted under this Agreement shall be in writing and shall be delivered either by hand delivery, fax transmission, or reputable overnight courier. Notices shall be deemed delivered upon receipt by the sending party of evidence of delivery to the address or fax number shown below, or as changed by the parties from time to time by notifying the other parties in accordance with this section. Notices shall be addressed as follows:

Escrow Agent: Fidelity National Title Insurance Company  
6840 Carothers Parkway  
Suite 200  
Franklin, TN 37067  
Attention: Patrick Bennett

SELLER: The City of Murfreesboro, Tennessee  
111 West Vine Street  
Murfreesboro, Tennessee 37130  
Attention: Jennifer Moody  
[jmoody@murfreesborotn.gov](mailto:jmoody@murfreesborotn.gov)

with a copy to: David A. Ives  
Assistant City Attorney  
City of Murfreesboro  
111 West Vine Street  
Murfreesboro, Tennessee 37130  
[dives@murfreesborotn.gov](mailto:dives@murfreesborotn.gov)

BUYER: Vanderbilt University Medical Center  
Vice President of Business Development and Real Estate  
3319 West End Avenue, Suite 200  
Nashville, Tennessee 37203  
Attn: Liz Dishman  
[Elizabeth.S.Dishman@vanderbilt.edu](mailto:Elizabeth.S.Dishman@vanderbilt.edu)

With a copy to: Vanderbilt University Medical Center  
Office of Legal Affairs  
2525 West End Avenue, Suite 700  
Nashville, Tennessee 37203  
Attn: Doug Mefford  
[doug.mefford@vanderbilt.edu](mailto:doug.mefford@vanderbilt.edu)

With a copy to: Webb Sanders PLLC  
Post Office Box 887  
3037A Highway 31W  
White House, TN 37188  
Attn: Valerie M. Webb  
Email: [vwebb@webbsanderslaw.com](mailto:vwebb@webbsanderslaw.com)



IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

**"SELLER"**

THE CITY OF MURFREESBORO,  
TENNESSEE

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**"BUYER"**

VANDERBILT UNIVERSITY MEDICAL  
CENTER, Tennessee nonprofit corporation

By: \_\_\_\_\_  
Name: John F. Manning, Jr.  
Title: \_\_\_\_\_

(See Contract signatures)

**"ESCROW AGENT"**

FIDELTY NATIONAL TITLE INSURANCE COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT C**  
**SPECIAL WARRANTY DEED**

<p><u><b>RECORDING INFORMATION</b></u></p>	<p>STATE OF _____ ) COUNTY OF _____ )</p> <p>The actual consideration for this transfer or value of property transferred (whichever is greater) is \$ _____.</p> <p>_____ Affiant</p> <p>Sworn to and subscribed before me this _____ day of _____, 2018.</p> <p>_____ Notary Public</p> <p>My Commission Expires: _____</p>
<p><u><b>PREPARED BY AND RETURN TO:</b></u> Webb Sanders PLLC 2784 Highway 31W White House, TN 37188</p>	<p>(SEAL)</p>

**SPECIAL WARRANTY DEED**

Address New Owner(s):	Send Tax Bills To:	Map/Parcel Number(s):
	New Owner	

FOR AND IN CONSIDERATION of the sum of TEN and NO/100 DOLLARS (\$10.00) cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, THE CITY OF MURFREESBORO, TENNESSEE ("Grantor"), has bargained and sold, and by these presents does transfer and convey to VANDERBILT UNIVERSITY MEDICAL CENTER, a Tennessee nonprofit corporation, ("Grantee"), Grantee's representatives, successors and assigns, certain land in Rutherford County, State of Tennessee, being more particularly described in Exhibit A, which is attached hereto and incorporated herein by this reference (the "Property").

This conveyance of the Property, and all covenants and warranties contained herein, are made expressly subject to the following:

1. TBD

This is unimproved property known as \_\_\_\_\_, Murfreesboro, Rutherford County, Tennessee.

This conveyance is made pursuant to the terms of that certain Agreement between Grantor and Grantee dated \_\_\_\_\_, 2018, the terms of which shall not merge herein, but which shall survive the transfer of title. These terms include, but are not limited to, the City of Murfreesboro's right to purchase the property under certain conditions.

**TO HAVE AND TO HOLD** the Property with all appurtenances, estate, title, and interest thereto belonging to Grantee, Grantee's successors and assigns, forever.

Grantor covenants with Grantee that the Property is free from all encumbrances made or suffered by Grantor, except to the extent otherwise set forth herein.

Grantor further covenants and binds itself to warrant and forever defend the title to the Property to Grantee, Grantee's successors and assigns, against the lawful claims of all persons whomsoever claiming by, through or under Grantor, but not otherwise.

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed as of this  
\_\_\_\_\_ day of \_\_\_\_\_, 2018.

GRANTOR:

THE CITY OF MURFREESBORO,  
TENNESSEE

By: \_\_\_\_\_  
Name: Shane McFarland  
Its: \_\_\_\_\_  
Mayor \_\_\_\_\_

ATTEST

By: \_\_\_\_\_  
Melissa Wright, City Recorder

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ )

Personally appeared before me, the undersigned, Notary Public for the aforesaid State and County, SHANE McFARLAND and MELISSA WRIGHT with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that such person executed the within instrument for the purposes therein contained, and who further acknowledged that such persons are the Mayor and City Recorder, respectively, of The City of Murfreesboro, Tennessee, and are authorized by the municipality to execute this instrument on its behalf.

Witness my hand, at office, this \_\_\_\_ day of \_\_\_\_\_, 2018.

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

**EXHIBIT A TO EXHIBIT C**

## EXHIBIT D

### ASSIGNMENT AND ASSUMPTION

#### ASSIGNMENT AND ASSUMPTION

For good and valuable consideration, the receipt of which is hereby acknowledged, THE CITY OF MURFREESBORO, TENNESSEE ("*Assignor*"), hereby assigns, conveys and delivers (the "*Assignment*") to VANDERBILT UNIVERSITY MEDICAL CENTER, its successors and assigns ("*Assignee*"), all of Assignor's right, title and interest in and to the following:

- (a) to the extent assignable under applicable laws, any and all site plans, construction and development drawings, plans, surveys, licenses, permits (including demolition and excavation permits, curb cut and right-of-way permits, utility permits, and drainage rights permits), and other similar permits or reports applicable to the ownership or operation of the real property described on Exhibit A attached hereto ("*Property*"), including all right, title, and interest of Assignor in and to all fees and deposits heretofore paid by Assignor with respect thereto; and
- (b) any and all guaranties, warranties, affidavits, lien waivers, and agreements given heretofore and with respect to the construction or composition of all improvements located in, on, upon or under and comprising a part of the Property or with respect to any of the tangible property relating thereto; the items referred to in paragraphs (a) and (b) above are collectively called the "*Documents*"; and

This Assignment shall be effective as of the date hereof.

Assignee accepts the foregoing assignment of the Documents, but only to the extent the same are assignable, and hereby assumes and agrees to fulfill, perform and discharge all the various commitments, obligations and liabilities, if any, of Assignor under the Documents accruing from and after the date hereof.

Assignee hereby indemnifies and agrees to hold harmless Assignor from and against any and all claims, liabilities, losses, damages, causes of action and expenses (including without limitation court costs through all appeals and reasonable attorneys' fees and disbursements) incurred by Assignor in connection with or arising out of the obligations arising under this Assignment or the Documents from and after the date hereof.

Assignor hereby indemnifies and agrees to hold harmless Assignee from and against any and all claims, liabilities, losses, damages, causes of action, and expenses (including without limitation court costs through all appeals and reasonable attorneys' fees and disbursements) incurred by Assignee in connection with or arising out of the obligations arising under this Assignment or the Documents prior to the date hereof.

The Assignment, the corresponding assumption by Assignee and the indemnification obligations set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement shall be governed by, and construed under, the laws of the State of Tennessee.

This Assignment and Assumption may be executed in counterparts, all of which when taken together shall constitute one original fully executed Assignment and Assumption.

IN WITNESS WHEREOF, the undersigned have executed the within instrument as of \_\_\_\_\_, 2018.

**"ASSIGNOR"**

**"ASSIGNEE"**

THE CITY OF MURFREESBORO,  
TENNESSEE

VANDERBILT UNIVERSITY  
MEDICAL CENTER

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Same as Agreement, if this document is  
needed

## EXHIBIT E

### DUE DILIGENCE ITEMS

Seller shall deliver the following to the extent, if any, Seller is in possession and control of such documents:

1. Any appraisals and surveys of the Property in Seller's possession;
2. Real estate tax bills and statements for the current year and the previous two (2) years with respect to the Property;
3. Copies of insurance certificates with respect to the Property;
4. Copies of any soils, substrata, landscape, utility, environmental, architectural or other similar engineering reports or evaluations with respect to the Property;
5. Any environmental assessment report or study with respect to the Property in Seller's possession;
6. Any information in Seller's possession or control from any governmental agency or authority regarding the Property or adjacent properties;
7. Copies of all notices and correspondence received from any governmental agency of authority regarding the Property or adjacent properties;
8. Copies of all notices and correspondence received from third-parties claiming an interest or right in and to the Property, or any portion thereof; and
9. Copies of any other documents or information Buyer may reasonably request during the Due Diligence Period.
10. Copies of notices from local governmental agencies concerning any outstanding code or zoning violation or proposed change in status of the Property such as a zoning change or anticipated or potential condemnation.
11. Copies of all current insurance premium statements.
12. Seller's most recent survey;
13. Copies of any outstanding notices of violations of any federal, state, municipal or other health, fire, building, zoning, safety, environmental protection or other applicable codes, laws, rules, regulations or ordinances relating or applying to the Property, if any.
14. List of all litigation pending against the Property or the Seller which relates to the Property.

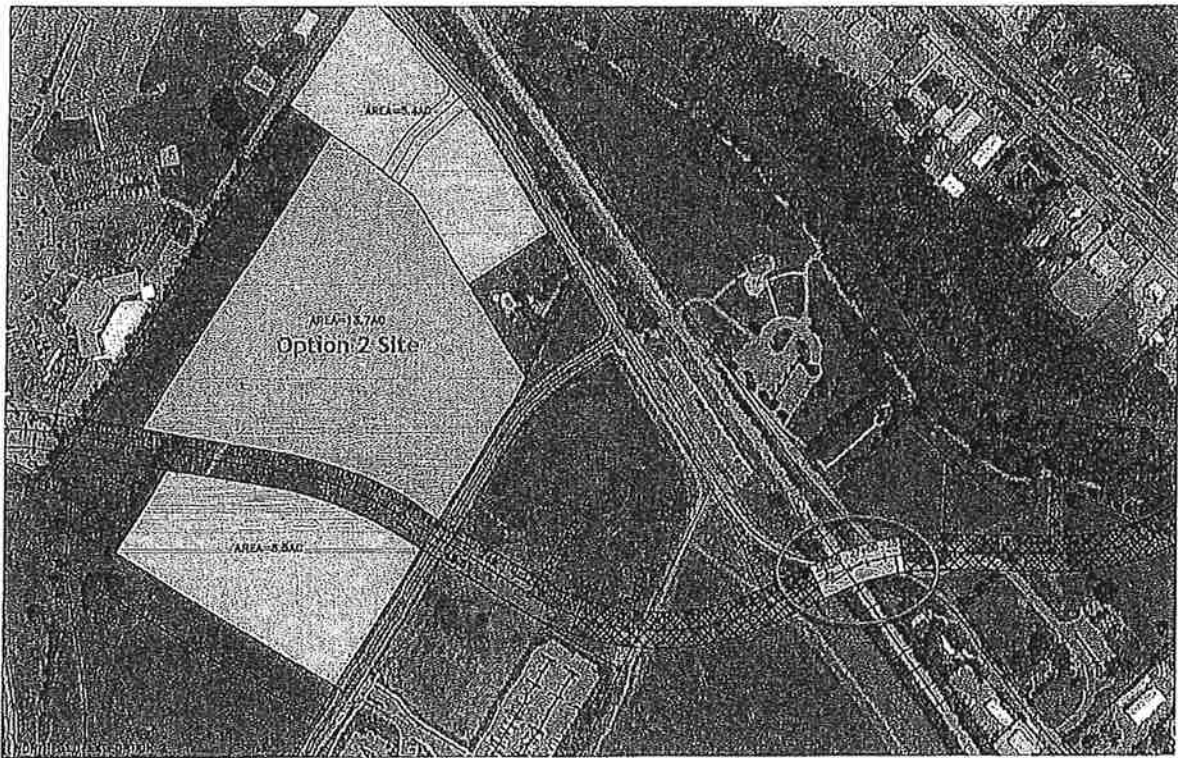


15. Copies of all unrecorded reciprocal operating agreements, covenants, conditions and restrictions relating to the Property and copies of any unrecorded documents relating to any owners' and/or tenants' associations relating to the Property.

16. Copies of Seller's most current title policy, including copies of all exceptions listed thereon.

EXHIBIT F

NORTHFIELD BOULEVARD EXTENSION





*... creating a better quality of life*

March 27, 2018

Elizabeth S. Dishman  
Vice President of Business Development & Real Estate  
Vanderbilt University Medical Center  
3319 West End Avenue #200  
Nashville TN 37204-1050

Re: City of Murfreesboro and VUMC  
Purchase and Sale Agreement dated March 15, 2018

Dear Ms. Dishman:

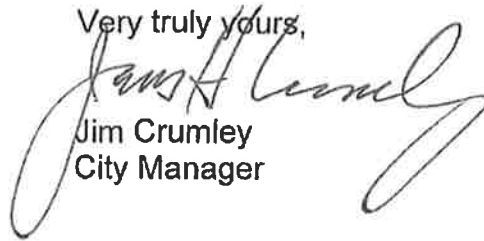
This will confirm our working agreement regarding the referenced transaction as follows:

1. As VUMC finalizes its site design, VUMC may elect to acquire a portion of the property labeled "Jenkins Tract" on the enclosed Exhibit 1. Once the site design is finalized and surveyed, the parties will enter into a formal amendment to the referenced Agreement identifying the precise property to be acquired by VUMC. The purchase price of any property that may derive from the Jenkins Tract will be the same as the purchase price provided in the referenced Agreement.
2. In the interim:
  - a. The City agrees that VUMC and / or its agents may conduct due diligence on the Jenkins Tract to the same extent and with the same limitations as provided in the referenced Agreement.
  - b. The City agrees that it will not market or enter into any contract or agreement with respect to the Jenkins Tract.

Please indicate your concurrence by signing where indicated and returning a copy of this letter to me.

Of course, let us know if you have questions or need further information.

Very truly yours,



Jim Crumley  
City Manager

xc: Ms. Valerie M. Webb  
Mr. Randy Parham  
Mr. David A. Ives

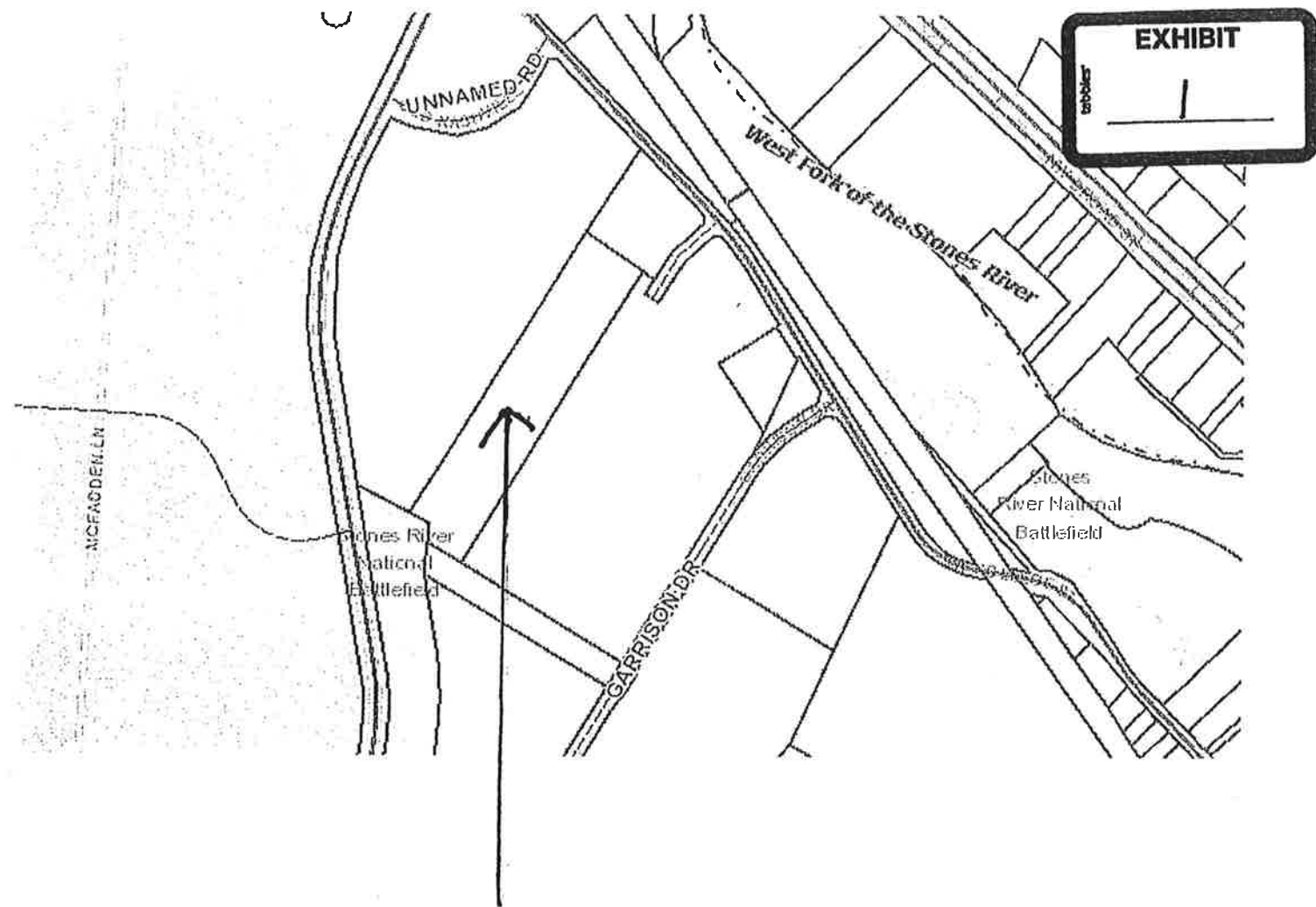
Acceptance:

Date:



03/27/18

Elizabeth S. Dishman  
VP of Business Development & Real Estate  
Vanderbilt University Medical Center



**JENKINS TRACT**

## Attachment A.6B.1

### Plot Plan



 **Barge  
Cauthen**  
ASSOCIATES

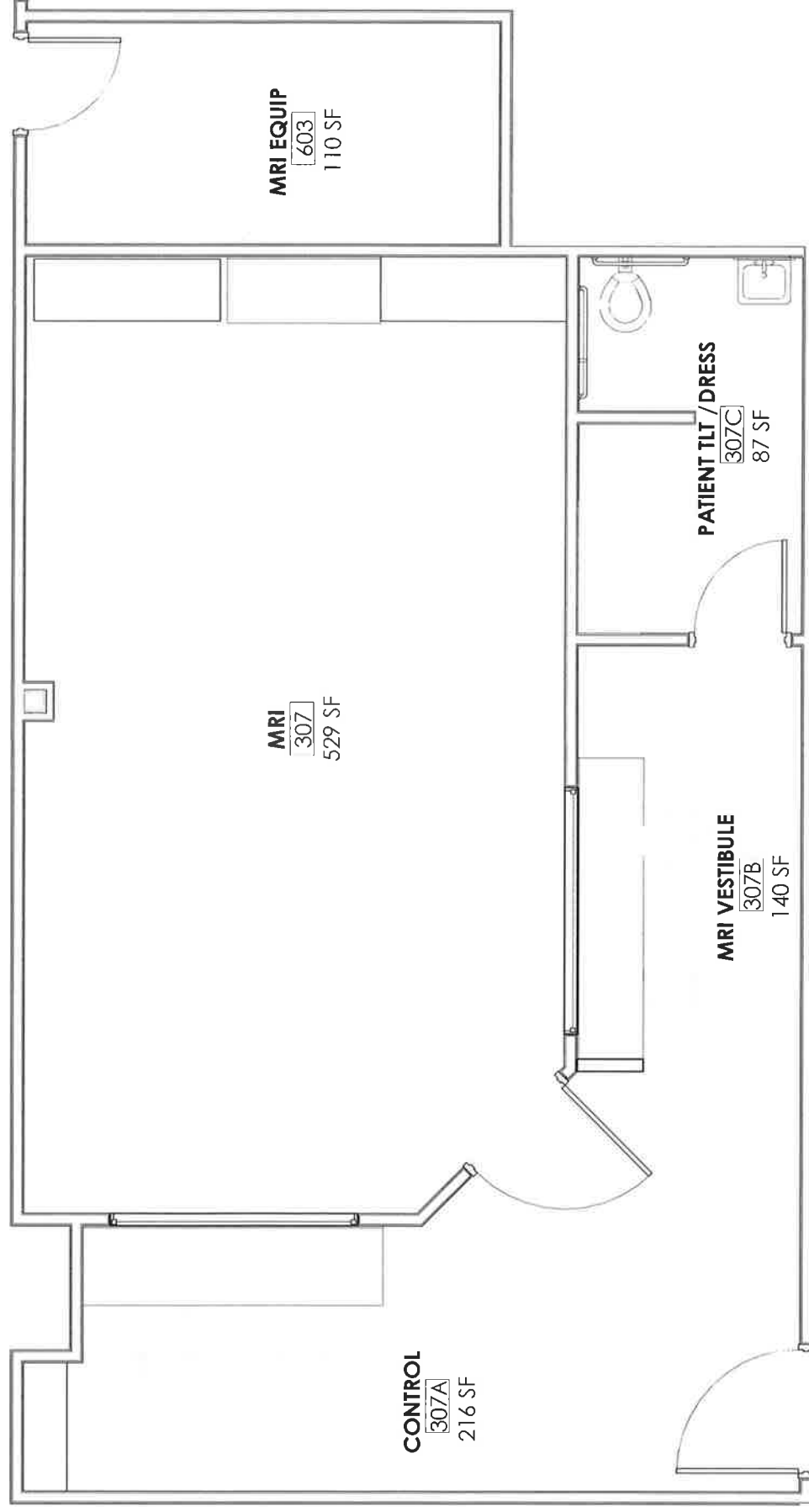
**Civil Engineers**  
6606 CHARLOTTE PIKE, STE. 210  
NASHVILLE, TENNESSEE 37209  
615.358.0011 PHONE  
615.352.0737 F A X

## Attachment A.6B.2

### Floor Plan



# VUMC MURFREESBORO - PEDIATRIC MRI



## Attachment A.13B

### Equipment Lease

**Siemens Medical Solutions USA, Inc.**  
 40 Liberty Boulevard, Malvern, PA 19355  
 Fax: (866) 309-6967

**SIEMENS REPRESENTATIVE**  
 Karen Dixon - (865) 360-8644

## PRELIMINARY PROPOSAL

Customer Number: 0000259455

Date: 6/7/2018

**VANDERBILT UNIVERSITY MEDICAL CENTER**  
 1211 Medical Center Drive  
 NASHVILLE, TN 37232

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**Quote Nr: 1-NIGGOL Rev. 2**

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### MAGNETOM Aera

**All items listed below are included for this system:**

Qty	Part No.	Item Description
1	14456140	<p><b>MAGNETOM Aera - System</b></p> <p>MAGNETOM Aera is designed to provide you the versatility you need to meet the increasing demands in healthcare. Maximize 1.5T with its core technologies Tim(r) 4G and Dot(r), along with its comprehensive application portfolio and experience unique functionalities to increase patient comfort.</p> <p>Every case. Every day.</p> <p>System Design</p> <ul style="list-style-type: none"> <li>- Short and open appearance (145 cm system length and 70 cm Open Bore Design) to reduce patient anxiety and claustrophobia</li> <li>- Whole-body superconductive Zero Helium Boil-Off 1.5T magnet</li> <li>- Actively Shielded water-cooled Siemens gradient system for maximum performance</li> <li>- TrueForm Magnet and Gradient Design</li> </ul> <p>Tim 4G (Total imaging matrix in the 4th generation) for excellent image quality and speed</p> <ul style="list-style-type: none"> <li>- Siemens unique DirectRF(tm) technology enabling the all digital-in/ digital-out design</li> <li>- Dual-Density Signal Transfer Technology</li> <li>- Tim Coil Interface</li> </ul> <p>Dot (Day optimizing throughput) for higher consistency, flexibility and efficiency</p> <ul style="list-style-type: none"> <li>- Dot Display</li> <li>- Dot Control Centers</li> <li>- Brain Dot Engine</li> </ul> <p>Tim Application Suite allowing excellent head-to-toe imaging</p> <ul style="list-style-type: none"> <li>- Neuro Suite</li> <li>- Angio Suite</li> <li>- Cardiac Suite</li> <li>- Body Suite</li> <li>- Onco Suite</li> <li>- Breast Suite</li> </ul>

**Siemens Medical Solutions USA, Inc.**  
 40 Liberty Boulevard, Malvern, PA 19355  
 Fax: (866) 309-6967

**SIEMENS REPRESENTATIVE**  
 Karen Dixon - (865) 360-8644

## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		<ul style="list-style-type: none"> <li>- Ortho Suite</li> <li>- Pediatric Suite</li> <li>- Scientific Suite</li> </ul> <p>Further included</p> <ul style="list-style-type: none"> <li>- High performance host computer</li> <li>- Patient communication: standard headphones and MagnaCoil(tm) In-Ear headset</li> <li>- Siemens uniqueTimCT FastView localizer and CAIPIRINHA</li> <li>- syngo MR software including</li> <li>- 1D/2D PACE</li> <li>- BLADE</li> <li>- iPAT<sup>2</sup></li> <li>- Phoenix</li> <li>- Inline Diffusion</li> <li>- WARP</li> <li>- MDDW (Multiple Direction Diffusion Weighting)</li> <li>- CISS</li> <li>- DESS</li> <li>- TGSE</li> </ul> <p>The system (magnet, electronics and control room) can be installed in 30sqm space. For system cooling either the Eco Chiller options or the Separator is required.</p>
1	14456143	<p><b>Tim [204x48] XQ Gradients #Ae</b></p> <p>Tim [204x48] XQ-gradients performance level</p> <p>Tim 4G with it's newly designed RF system and innovative coil architecture enables high resolution imaging and increased throughput.</p> <p>The system provides a maximum number of 204 channels (coil elements) that can be connected simultaneously. Flexible parallel imaging is achieved by the 48 independent RF channels that can be used simultaneously in one single scan and in one single FOV, each generating an independent partial image. Maximum SNR is furthermore ensured through the new Tim 4G matrix coil technology. This option includes also Advanced High Order Shim.</p> <p>XQ - gradients</p> <p>The XQ- gradients are designed combining high performance and linearity to support clinical whole body imaging at 1.5T. The force compensated gradient system minimizes vibration levels and accoustic noise. The XQ gradients combine 45 mT/m peak amplitude with a slew rate of 200 T/m/s.</p> <p>High-performance measurement and reconstruction system</p>
1	14456139	<p><b>Standard Coil Package 48+ ch #Ae</b></p> <p>This package includes:</p> <ul style="list-style-type: none"> <li>- Head/Neck 20 DirectConnect</li> <li>- Spine 32 DirectConnect</li> <li>- Body 18</li> <li>- Flex Large 4</li> <li>- Flex Small 4</li> <li>- Flex Coil interface</li> </ul>
1	14416906	<p><b>Tim Dockable Table #Ae</b></p> <p>The Tim Dockable Table is designed for maximum patient comfort and smooth patient preparation. Tim Dockable Table can support up to 250 kg (550 lbs) patients without restricting the vertical or horizontal movement.</p> <p>The one step docking mechanism and the innovative multi-directional navigation wheel ensure easy maneuvering</p>

**Siemens Medical Solutions USA, Inc.**  
40 Liberty Boulevard, Malvern, PA 19355  
Fax: (866) 309-6967

**SIEMENS REPRESENTATIVE**  
Karen Dixon - (865) 360-8644

## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		and handling. Critically ill or immobile patients can now be prepared outside the examination room for maximum patient care, flexibility and speed.
1	14416914	<b>Pure White Design #T+D</b> The MAGNETOM Aera / MAGNETOM Skyra design is available in different light and appealing variants which perfectly integrates into the different environments. The color of the main face plate cover of the Pure White Design Variant with the integrated Dot Control Centers and the unique Dot Display is brilliant white surrounded by a brilliant silver trim. The asymmetrical deco area on the left side is colored white matte and also with a brilliant surrounding silver trim. The table cover is presented also in the same color and material selection.
1	08464872	<b>PC Keyboard US english #Tim</b> Standard PC keyboard with 101 keys.
1	14446650	<b>SW syngo MR E11C</b> syngo MR E11C software with new features and applications. GOBrain protocols (for Aera and Skyra with 48 or more rf-channels).
1	14441866	<b>DotGO Routine Package #T+D</b> The DotGO Routine Package includes both: - Spine Dot Engine and - Large Joint Dot Engine.  As a package they offer a comprehensive set of workflows with guidance and automation, for standardized image quality in Spine and MSK MR imaging. The Spine Dot Engine provides the functionality of Inline Composing and Tim Planning Suite for streamlining workflows in all spine imaging. Tools, such as auto-positioning and vertebral recognition with AutoAlign Spine, AutoCoverage and Spine Labelling support and optimize reproducibility for your cervical, thoracic and lumbar spine imaging for all clinical indications. The Large Joint Dot Engine enhances standardization of the knee, hip and shoulder workflows and optimizes reproducible image quality by incorporating automation tools, such as anatomically based auto-positioning (AutoAlign). Dedicated imaging techniques, such as Advanced WARP, are included and can help to expand the access of diagnostic MRI to a broader range of patient types.
1	14446591	<b>Advanced Diffusion #T+D</b> QuietX DWI and RESOLVE together make up the Advanced Diffusion package.  QuietX DWI enables quieter diffusion-weighted imaging of the brain with up to 70% reduction in sound pressure relative to conventional diffusion-weighted imaging. RESOLVE (Readout Segmentation Of Long Variable Echo-trains) is a multi-shot, readout segmented EPI sequence for high-resolution, low-distortion diffusion-weighted imaging (DWI). This technique is largely insensitive to susceptibility effects, providing anatomically accurate diffusion imaging for the brain, spine, breast and prostate. In combination with the DTI Tractography package, RESOLVE enables excellent white-matter tract imaging even in regions of high susceptibility, such as the spine.
1	14402527	<b>SWI #Tim</b> Susceptibility Weighted Imaging is a high-resolution 3D imaging technique for the brain with ultra-high sensitivity for microscopic magnetic field inhomogeneities caused by deoxygenated blood, products of blood decomposition and microscopic iron deposits. Among other things, the method allows for the highly sensitive proof of cerebral hemorrhages and the high-resolution display of venous cerebral blood vessels.
1	14446558	<b>SMS EPI #T+D</b> Simultaneous Multi-Slice (SMS) EPI enables accelerated imaging for diffusion-weighted (DWI/DTI) and BOLD functional MR imaging. With SMS EPI, scan times for DWI can be reduced by up to 68% and/or images with higher spatial/diffusion resolution can be acquired. For BOLD imaging, SMS EPI can enable increased temporal sampling of BOLD data acquisitions and/or improved slice coverage/resolution.
1	14441852	<b>DTI Package #T+D</b> The DTI Package is a bundle of:

## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		<ul style="list-style-type: none"> <li>- Diffusion Tensor Imaging</li> <li>- DTI Evaluation and</li> <li>- DTI Tractography syngo</li> </ul> <p>The bundle comprehends all acquisition and postprocessing tools for comprehensive DTI exams.</p>
1	14416946	<b>Neuro Perfusion Package #T+D</b> The Neuro Perfusion Package helps to streamline the clinical workflow by inline post-processing in dynamic susceptibility contrast (DSC) based perfusion imaging. This makes it possible to see perfusion maps immediately.
		Perfusion parameter maps are based on a Local Arterial Input function. A corrected relCBV map calculation and motion correction is provided.
1	14426290	<b>Neuro Perfusion Eval #T+D</b> Neuro Perfusion Evaluation syngo provides a task card for detailed post-processing of brain perfusion data sets. Color display of the relative Mean Transit Time (relMTT), relative Cerebral Blood Volume (relCBV), corrected relCBV, and relative Cerebral Blood Flow (relCBF) is supported. Flexible selection of the Arterial Input Function (AIF) for more reliable analysis taking into account the dynamics over time of the contrast agent enhancement. Furthermore a calculation of maps using automatically selected local Arterial Input Functions (AIF) is provided to reduce the amount of user interactions.
		The detailed evaluation of brain perfusion data sets generates parameter maps for TTP and PBP and for the hemodynamic parameters relMTT, relCBV, relCBVcor and relCBF. These may show perfusion deficits and assist in the diagnosis and grading of e.g. vascular deficiencies and brain tumors.
1	14416923	<b>Abdomen Dot Engine #T+D</b> The Abdomen Dot Engine: Personalized Exam Strategies - Guidance - Automatic sequence scaling - Auto Navigator - Auto-FoV - Timeline setup and monitoring - Automatic Voice Commands - Auto Bolus Detection - Inline radial range calculation for MRCP - Inline Subtraction - Inline Registration
1	14441761	<b>LiverLab #T+D</b> LiverLab is a system guided workflow to examine the hepatic fat and iron status, as part of the Abdomen Dot Engine.
1	14441759	<b>FREEZEit Body MRI Package #T+D</b> FREEZEit Body Package contains two robust sequences for advanced body imaging: TWIST-VIBE and StarVIBE. <ul style="list-style-type: none"> <li>- TWIST-VIBE is a new fast, high-resolution 4D imaging sequence for multi-arterial liver imaging.</li> <li>- StarVIBE is a motion insensitive VIBE sequence using a stack-of-stars trajectory.</li> </ul> <p>FREEZEit StarVIBE allows for free-breathing during the scan, which reduces stress and improves the patient experience.</p>
1	14426320	<b>MR Elastography #T+D</b> MR Elastography offers a new diagnostic tool for all Tim+Dot systems that allows identifying variations in liver tissue stiffness. <p>The MR Elastography package consists of new protocols and sequences, new reconstruction algorithms and inline reconstruction.</p>
1	14405316	<b>fMRI Trigger Converter</b> An optical trigger signal is available to trigger external stimulation devices in fMRI experiments. <p>With the "fMRI Trigger Converter" this signal can be converted to an electrical signal (TTL/BNC and RS 232 interface for PC; modes: toggle or impulse).</p>
1	14405224	<b>Composing syngo #Tim</b> This application provides dedicated evaluation software for creation of full-format images from overlapping MR volume data sets and MIPs acquired at multiple stages.
1	14416941	<b>Spectroscopy Package #T+D</b> The Spectroscopy Package is a comprehensive software package which bundles Single Voxel Spectroscopy, 2D Chemical Shift Imaging, 3D Chemical Shift Imaging and syngo Spectroscopy Evaluation.

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**SIEMENS REPRESENTATIVE**  
Karen Dixon - (865) 360-8644

## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		Sequences and protocols for proton spectroscopy, 2D and 3D proton chemical shift imaging (2D CSI and 3D CSI) to examine metabolic changes in the brain (e.g. in tumors and degenerative diseases) and in the prostate are included. Furthermore included is the comprehensive syngo Spectroscopy Evaluation Software which enables fast evaluation of spectroscopy data on the syngo Acquisition Workplace.
1	14441748	<b>Quiet Suite #T+D</b> Quiet Suite enables complete, quiet examinations for neurology and orthopedics with at least 70% reduction in sound pressure levels.
1	14418521	<b>syngo Expert-i #T+D</b> This software application enables remote access to the system (connected via local area network) for planning and processing.
1	14416960	<b>Shoulder 16 Coil Kit #Ae</b> The new Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. The Shoulder 16 Coil Kit for examinations of the left or right shoulder consists of a base plate and two different sized iPAT compatible 16 channel coils (Shoulder Large 16 and Shoulder Small 16). These will be attached and can be relocated on the base plate. The 16-element coils with 16 integrated pre-amplifiers ensure maximum signal-to-noise ratio. Shoulder Large 16 and Shoulder Small 16 will be connected via a SlideConnect plug for fast and easy coil set-up and patient preparation.
1	14416961	<b>Hand/Wrist 16 #Ae</b> The new Tim 4G coil technology with Dual Density Signal Transfer and SlideConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility.  Hand/Wrist 16 for examinations of the left or right hand and wrist region consists of a base plate and an iPAT compatible 16-channel coil and allows high resolution imaging of the wrist and the hand within one examination. Hand/Wrist 16 will be connected via a SlideConnect plug for fast and easy patient preparation.
1	14456317	<b>Tx/Rx Knee 15 Flair 1.5T #Ae</b> New 15-channel transmitter/receiver coil for joint examinations in the area of the lower extremities.  Main features : - 15-element design (3x5 coil elements) with 15 integrated preamplifiers, - iPAT-compatible - SlideConnect Technology
1	14416962	<b>Foot/Ankle 16 #Ae</b> The new Tim 4G coil technology with Dual Density Signal Transfer and DirectConnect Technology combines key imaging benefits: excellent image quality, high patient comfort, and unmatched flexibility. Foot/Ankle 16 for examinations of the left or right foot and ankle region consists of a base plate and an iPAT compatible 16-channel coil and allows high resolution imaging of the foot and ankle within one examination. Foot/Ankle 16 is a cable-less coil and will be connected via DirectConnect for fast and easy patient preparation.
1	14426332	<b>Tx/Rx CP Head Coil #Ae</b> Circularly polarized no-tune transmit/receive coil with an open patient-friendly design. The integrated transmit mode allows volume selective excitation. Integrated, extremely low-noise pre-amplifiers permit very high signal-to-noise ratio. Furthermore, the coil is outfit with SlideConnect Technology, allowing for easier patient preparation and less table time for the patient.
1	14407271	<b>Loop Coil, small #Tim</b> No-tune loop receive coil for examinations of small structures near the surface (e.g. hands, fingers, skin).
1	14407261	<b>MR Workplace Container, 50cm</b> 50 cm wide extra case for the syngo host computer with sliding front door to allow change of storage media (CD/DVD/USB).
1	14418489	<b>Separator 60kW</b> The SEP (Separation cabinet) has to be used if a central hospital chilled water supply is available or if a chiller of

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## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		any brand/type is already available. The SEP is the interface between the on-site water chiller (of any brand or type) or the interface to the central hospital cooling water supply. For the above-mentioned cases the SEP is mandatory!
		In these cases, the primary water specifications must fulfill the requirements (i.e. 63 kW heat dissipation; 100+-10l/min flow; 6 to 12°C water temperature; pH value 6 to 8, max. working pressure 6 bar).
		Dimensions: 1950mm x 650mm x 650mm (height x width x depth) Weight: approx. 340kg
1	14456315	<b>UPS system (Libert)</b> UPS system Liebert GXT4 3000RT230E for MAGNETOM Aera, Skyra, Prisma, Essenza, Amira, Spectra, C! for safeguarding computers. Including Power Cable of 9 m for connecting the UPS. Power output: 3.0 kVA / 2.7 kW Bridge time: 3 min full load / 12 min half load Input voltage: 230 VAC
1	14456316	<b>UPS Battery module (Libert GXT4 BATT)</b> UPS battery module Liebert GXT4 72VBATTE for MAGNETOM Aera, Skyra, Prisma, ESSENZA, Amira, Spectra, C! for safeguarding computers. Extension for: Liebert GXT4 3000RT230E (14456315) Battery type: Closed, maintenance-free Extension of the bridge time to: 21 minutes full load / 48 min half load with one module Dimensions (H x D x W): Battery module: 430 x 602 x 85 mm  Weight: approx. 46 kg
1	MR_STD_RIG_INST	<b>MR Standard Rigging and Installation</b> MR Standard Rigging and Installation  This quotation includes standard rigging and installation of your new MAGNETOM system  Standard rigging into a room on ground floor level of the building during standard working hours (Mon. - Fri./ 8 a.m. to 5 p.m.) It remains the responsibility of the Customer to prepare the room in accordance with the SIEMENS planning documents Any rigging requiring a crane over 80 tons and/or special site requirements (e.g. removal of existing systems, etc.) is an incremental cost and the responsibility of the Customer. All other "out of scope" charges (not covered by the standard rigging and installation) will be identified during the site assessment and remain the responsibility of the Customer.
1	MR_BTL_INST	<b>MR Standard Rigging &amp; Install</b>
1	MR_PREINST_DOCK	<b>T+D Preinstall kit for dockable table</b>
1	MR_CRYO	<b>Standard Cryogenics</b>
1	MR_PM	<b>MR Project Management</b> A Siemens Project Manager (PM) will be the single point of contact for the implementation of your Siemens equipment. The assigned PM will work with the customer's facilities management, architect or building contractor to assist you in ensuring that your site is ready for installation. Your PM will provide initial and final drawings and will coordinate the scheduling of the equipment, installation, and rigging, as well as the initiation of on-site clinical education.
1	RESY3002	<b>Elastography hardware</b> RESOUNDANT Hardware starter set for Elastography



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## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		<p>The hardware components of the MR Elastography option create, conduct and introduce mechanical waves into the human body. They are designed to be used in conjunction with imaging systems.</p> <p>The set includes these major specific components of the MR Elastography option:</p> <p>The active driver, which creates the mechanical waves</p> <p>Two (2) passive drivers, which applies the mechanical waves to the patient's body</p> <p>Long and short plastic tubing for mechanical wave transfer from active to passive driver - one 30 foot tube and an additional 9 foot section. For maximum performance use only the 30 foot hose or both the 30 foot and 9 foot hoses. Additional 9 foot hoses can be ordered if site restrictions make it necessary, but doing so may require power setting adjustments.</p> <p>Applicator belt for securing the passive driver to the patient's body</p> <p>Cords and cables for connecting the trigger box with the active driver and the components with the scanner electronics. Cable connecting active driver to fMRI trigger box is 50 feet.</p> <p>DO NOT TAKE THE ACTIVE DRIVER OR TRIGGER BOX INTO THE MAGNET ROOM.</p> <p>Customer is responsible for hardware installation.</p> <p>Requires minimum software version syngo MR D13A or syngo MR B19.</p> <p>The active driver includes a two years parts warranty. The passive driver, tubes and belts includes a 6 month warranty.</p>
1	MR_SYDOT_W KSP	<p><b>MR syngo Dot Onsite Workshop</b></p> <p>This 2-day onsite workshop for MR imaging professionals focuses on the MR syngo(r) Dot user interface and operating software implemented on our MAGNETOM(r) MRI systems. Through the use of demonstrations, lecture, and hands-on labs using Siemens' simulation consoles, participants will learn the basic principles and workflow of patient examinations. Prior to implementing this workshop, Siemens's will initiate a pre-workshop call with the identified facility contact to determine specific needs for the training. Depending on the MAGNETOM system type that is the focus of the workshop, the maximum number of attendees may vary from 8 to 12 - this will be determined during the pre-workshop call. Attendees will receive workbooks. This onsite workshop is scheduled consecutively (Monday - Friday) during standard business hours. This educational offering must be completed (12) months from purchase or install end date. If training is not completed within the applicable time period, Siemens' obligation to provide the training will expire without refund.</p>
1	MR_INITIAL_32	<p><b>Initial onsite training 32 hrs</b></p> <p>MR_INITIAL_32 Up to (32) hours of on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Training will cover agenda items on the ASRT approved checklist. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>
1	MR_FOLLOWU P_32	<p><b>Follow-up training 32 hrs</b></p> <p>Up to (32) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>
1	MR_FOLLOWU P_24	<p><b>Follow-up training 24 hrs</b></p> <p>Up to (24) hours of follow-up on-site clinical education training, scheduled consecutively (Monday - Friday) during standard business hours for a maximum of (4) imaging professionals. Uptime Clinical Education phone support is provided during the warranty period for specified posted hours. This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.</p>

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## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
1	MR_ELEARN	<b>e.learning CEU subscription (12 mths)</b> This (12) month multi-modality e.learning subscription will provide access for (10) imaging professionals at the customer site to utilize up to (50 CEUs). This educational offering must be completed (12) months from install end date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund.
1	MR_P_CONVR SNPRG	<b>Conversion Training Assurance Program</b> This conversion assurance program is designed to help customers successfully transition to Siemens imaging systems. The program consists of (1) on-site consultation of up to 12 hours conducted by a Siemens Clinical Education Specialist and a specialized bundle of 5 web based e-learning modules up to support and optimize turnover training for up to 8 users. Up to 50 CE's may be available for users via the WBT e-learning modules. The consultation session will focus on the evaluation of your current procedures, clinical workflows and protocols and will also provide an overview of how your new Siemens system's features will benefit your overall workflow. Your Siemens specialist will also review the schedule and focus of other affiliated training that may have been acquired with your system purchase. This educational offering must be completed by the later of (12) months from install end date or purchase date. If training is not completed within the applicable time period, Siemens obligation to provide the training will expire without refund
1	DTSWO2250M R60	<b>Dimplex chiller - 60 kW</b> The Dimplex Thermal Solutions outdoor, air-cooled, water/glycol chiller has been specially designed for medical applications to provide stable, fully dedicated cooling. 60 kW water/glycol air-cooled heat exchanger/chiller package for outside installation. Features dual tandem refrigerator circuits and dual redundant pumps. Unit also includes fluid reservoir and controls as well as remote control display to monitor the heat exchanger package operation from indoors at the operator's work station. This design also includes the features to meet the specification of OSHPD requirements. For use with Siemens SEP cabinet. <b>Features:</b> Dual 10 hp compressor, dual refrigerant circuits to smoothly transition through the 25 to 100% heat load capacity cycles of patient scanning and idling Energy savings and quiet operation when minimal cooling is required between patient use, and overnight for facilities located amongst residential areas Full capacity cooling enabling optimized utilization Dual, redundant fluid pumps, with automatic switch-over ensures no loss of flow <b>Pricing also includes:</b> Filter & flow meter kit Service package including two start-up visits (one upon cold head start-up, one at commissioning), one PM visit during 12 month P&L warranty period. One year warranty through Dimplex Thermal Solutions.  Customer is responsible for rigging and installation. Customer is responsible for providing glycol as specified by the manufacturer.  Coastal, low ambient temperature and split chillers are available.
1	XPAS_DTS_ST ARTUP	<b>Start-up of DTS chiller</b>
1	MR_PR_SEP_ OFFST	<b>Dimplex Separator Promo Offset</b>
1	BMRXP200	<b>MRXperion injector</b> The MRXperion injector has the following features: Streamlined Injection Workflow Enhanced Point of Care - On-board eGFR and Weight Based Dosing Calculators, an Injection Pressure Graph, and independent Test Inject and KVO functions. Informatics-ready - Connect with the Radimetrics Enterprise Platform for automated documentation, advanced analytics and viewable patient histories to facilitate standardized injection protocols and enhanced operational consistency. Maximized Uptime Support - Connect to VirtualCare Remote Support for advanced injector system diagnostics,

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Karen Dixon - (865) 360-8644

## PRELIMINARY PROPOSAL

Qty	Part No.	Item Description
		seamless software updates, and fast repairs.
		Price includes installation, training and one year warranty through Bayer Healthcare.
1	BMRXPENPNL	<b>MRXperion penetration panel</b> Includes penetration panel and installation by Bayer.
		To be selected only if the customer has no wall outlets in the MR suite and requires the power to be sourced from outside the room.
1	MR_GOBRAIN	<b>GOBrain</b> GOBrain delivers reliable quality at exceptional speed. It enables clinically validated, push-button brain exams, with multiple orientations and all relevant contrasts. This fast exam is more tolerable for patients, and helps reduce motion-related artifacts and the need for rescans and sedation. As a result, GOBrain potentially doubles throughput and reduces costs per scan. Supported by our Tim 4G technology and DotGO, it delivers consistently high quality and maximizes the productivity of your MRI scanner - while improving patient care.
1	MRLOC_ABDM DOT	<b>Local Offset - Abdomen Dot Engine</b>
1	MR_PR_DOTE NG1	<b>Dot Engine 1 pricing offset</b> To be eligible for this promotion, a binding purchase order including the purchase of any DOT Engine must be received by Siemens by September 31, 2018.
1	SY_PR_TEAM PLAY	<b>teamplay Welcome &amp; Registration Package</b> teamplay is a cloud-based network that brings together your imaging modality users, the systems' dose and utilization data, and the users' expertise to help you improve the delivery of care to your patients. Basic features are provided free of charge. Premium features (benchmarking, non-Siemens devices) are provided on a trial basis for three months at no charge, and may be used thereafter on a subscription fee basis. To register: <a href="http://teamplay.siemens.com/#!/institutionRegistration/1">http://teamplay.siemens.com/#!/institutionRegistration/1</a>
1	MR_BUDG_AD DL_RIG	<b>Budgetary Add'l/Out of Scope Rigging</b>
1	MR_GOKNEE3 D	<b>GOKnee3D</b> GOKnee3D is a 10-minute, push-button examination for diagnostic imaging of the knee developed and clinically validated by the US board certified MSK radiologists at John Hopkins University Hospital. GOKnee3D exam consists of AutoAlign localizer in the knee, PD weighted contrast and T2 weighted contrast with fat suppression. The AutoAlign technology provides a push-button functionality and ensures consistency in imaging. The 3D protocols are high resolution and isotropic, enabled by SPACE sequence with CAIPIRINHA technique. SW syngo MR E11C AP04 is required for GOKnee3D. Examination time for 3T system is 10 minutes, for a 1.5T system is up to 11 minutes. All given examination times are examination only, adjustments have been excluded. Applies to measurements only with 15channel knee coil.

**System Total: \$1,793,906**

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Karen Dixon - (865) 360-8644

## **PRELIMINARY PROPOSAL**

**FINANCING:** The equipment listed above may be financed through Siemens. Ask us about our full range of financial products that can be tailored to meet your business and cash flow requirements. For further information, please contact your local Sales Representative.

Siemens Healthcare is pleased to submit this Preliminary Pricing Proposal. A Preliminary Pricing Proposal is provided for planning purposes only; it is not contractually binding. To receive a contractually binding proposal for the Products listed above, inclusive of Terms, Conditions, and Warranty coverage, please contact your Siemens Healthcare Sales Representative.

Siemens Healthcare

Karen Dixon  
(865) 360-8644  
[karen.dixon@siemens-healthineers.com](mailto:karen.dixon@siemens-healthineers.com)



## VANDERBILT UNIVERSITY MEDICAL CENTER

June 8, 2018

### Preliminary Lease Quotation - Fair Market Value Lease

PRODUCT	QUOTE	PRICE	TERM	TYPE	MONTHS	PAYMENT
MAGNETOM Aera	1-NIGGOL	\$1,793,906	60 Months	FMV	01 - 60	\$26,202

### END OF TERM OPTIONS

#### **Fair Market Value Lease**

Lessee will have the option, exercisable by written notice to Lessor received by Lessor at least one hundred twenty (120) days but not more than one hundred eighty (180) days before the expiration of Lease Term to:

- return the Equipment to Lessor; or
- purchase all but not less than all of the Equipment for its then fair market value.

#### **NOTE:**

All offers expire October 31, 2018

Payments are calculated in advance. First payment is due upon lease proposal acceptance.

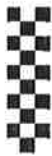
The Monthly Lease Payments are based upon the like-term year Swap Rate as of June 8, 2018. The Monthly Lease Payments will be adjusted for any corresponding increase in the Swap Rate as reported for the date that is two (2) business days prior to the Commencement Date of the Lease (as defined therein).

This will be a non-cancelable net lease transaction, whereby all fees and costs for documentation, insurance, maintenance, filing, registration, searches and taxes relating to the purchase, lease, ownership, possession and use of the Equipment and to the transaction will be for Lessee's account. A documentation fee of \$395 per schedule will apply.

This **preliminary lease quotation is provided for informational purposes only** and the terms and conditions are not all-inclusive. The suggested pricing is intended to be representative at the time of the Preliminary Lease Quotation Date but may be modified or withdrawn at any time with or without notice. This document does not represent an offer or commitment to enter into a lease agreement or to provide any other financing, and does not create any obligation for Siemens Financial Services, Inc., its designee or assignee.

Attachment A.13F  
*and*  
Attachment B.Need.1.Magnetic  
Resource Imaging.7a

FDA Equipment Approval



OCT. 6. 2010 8:54AM FDA CDRH

NO. 1232--P. 1/3



DEPARTMENT OF HEALTH & HUMAN SERVICES

Public Health Service

Food and Drug Administration  
10903 New Hampshire Avenue  
Document Control Room - WO66-G609  
Silver Spring, MD 20993-0002

Ms. Kim Rendon  
Manager, Regulatory/Clinical Affairs  
Siemens Medical Solutions USA, Inc.  
51 Valley Stream Pkwy, Mail Code G01  
MALVERN PA 19355

OCT 1 2010

Re: K101347

Trade/Device Name: Magnetom Aera and Magnetom Skyra  
Regulation Number: 21 CFR 892.1000  
Regulation Name: Magnetic resonance diagnostic device  
Regulatory Class: II  
Product Code: LNH and LNI  
Dated: August 13, 2010  
Received: August 16, 2010

Dear Ms. Rendon:

We have reviewed your Section 510(k) premarket notification of intent to market the device referenced above and have determined the device is substantially equivalent (for the indications for use stated in the enclosure) to legally marketed predicate devices marketed in interstate commerce prior to May 28, 1976, the enactment date of the Medical Device Amendments, or to devices that have been reclassified in accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (Act) that do not require approval of a premarket approval application (PMA). You may, therefore, market the device, subject to the general controls provisions of the Act. The general controls provisions of the Act include requirements for annual registration, listing of devices, good manufacturing practice, labeling, and prohibitions against misbranding and adulteration.

If your device is classified (see above) into class II (Special Controls), it may be subject to such additional controls. Existing major regulations affecting your device can be found in Title 21, Code of Federal Regulations (CFR), Parts 800 to 895. In addition, FDA may publish further announcements concerning your device in the Federal Register.

Please be advised that FDA's issuance of a substantial equivalence determination does not mean that FDA has made a determination that your device complies with other requirements of the Act or any Federal statutes and regulations administered by other Federal agencies. You must comply with all the Act's requirements, including, but not limited to: registration and listing (21 CFR Part 807); labeling (21 CFR Parts 801 and 809); medical device reporting (reporting of



Page 2

medical device-related adverse events) (21 CFR 803); and good manufacturing practice requirements as set forth in the quality systems (QS) regulation (21 CFR Part 820). This letter will allow you to begin marketing your device as described in your Section 510(k) premarket notification. The FDA finding of substantial equivalence of your device to a legally marketed predicate device results in a classification for your device and thus, permits your device to proceed to the market.

If you desire specific advice for your device on our labeling regulation (21 CFR Parts 801 and 809), please contact the Office of *In Vitro* Diagnostic Device Evaluation and Safety at (301) 796-5450. Also, please note the regulation entitled, "Misbranding by reference to premarket notification" (21 CFR Part 807.97). For questions regarding the reporting of adverse events under the MDR regulation (21 CFR Part 803), please go to <http://www.fda.gov/MedicalDevices/Safety/ReportaProblem/default.htm> for the CDRH's Office of Surveillance and Biometrics/Division of Postmarket Surveillance.

You may obtain other general information on your responsibilities under the Act from the Division of Small Manufacturers, International and Consumer Assistance at its toll-free number (800) 638-2041 or (301) 796-7100 or at its Internet address <http://www.fda.gov/cdrh/industry/support/index.html>.

Sincerely yours,



David G. Brown, Ph.D.  
Acting Director  
Division of Radiological Devices  
Office of *In Vitro* Diagnostic Device  
Evaluation and Safety  
Center for Devices and Radiological Health

Enclosure



K101347

Section: 4 Indications for Use Statement**Section 4 Indications for Use Statement**

510(k) Number (if known) \_\_\_\_\_

Device Names: **MAGNETOM Aera and MAGNETOM Skyra****Indications for Use:**

The MAGNETOM systems described above are indicated for use as a magnetic resonance diagnostic device (MRDD) that produces transverse, sagittal, coronal and oblique cross sectional images, spectroscopic images and/or spectra, and that displays the internal structure and/or function of the head, body, or extremities.

Other physical parameters derived from the images and/or spectra may also be produced. Depending on the region of interest, contrast agents may be used. These images and/or spectra and the physical parameters derived from the images and/or spectra when interpreted by a trained physician yield information that may assist in diagnosis.

The MAGNETOM systems described above may also be used for imaging during interventional procedures when performed with MR compatible devices such as inroom display and MR-safe biopsy needles.

(please do not write below this line- continue on another page if needed)

Concurrence of CDRH, Office of Device Evaluation

Prescription Use ☒ X

OR

Over-The-Counter Use \_\_\_\_\_

*Michael D. O'Hara*  
(Division Sign-Off)  
Division of Radiological Devices  
Office of In Vitro Diagnostic Device Evaluation and Safety

Page 1 of 1

510K

**Siemens 510(k) Premarket Notification**  
**MAGNETOM Aera and MAGNETOM Skyra**

May 12, 2010

Section 4-1

Attachment B.Need.1.Magnetic  
Resource Imaging.7f

ACR Accreditation



# American College of Radiology

Magnetic Resonance Imaging Services of  
**Monroe Carell, Jr. Children's Hospital at Vanderbilt**

2200 Childrens Way  
Suite 1421  
Nashville, Tennessee 37232

were surveyed by the  
Committee on MRI Accreditation of the  
Commission on Quality and Safety

The following magnet was approved

**Philips INTERA ACHIEVA 2008**

For

**Head, Spine, Body, MSK, MRA**

Accredited from:

**July 18, 2017 through July 18, 2020**

A handwritten signature in black ink, reading "Anthony J. Senf, M.D.", is positioned above a horizontal line.

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

A handwritten signature in black ink, reading "Alan Hyl MD, F.A.C.R.", is positioned above a horizontal line.

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

MRAP# 04424-02



# American College of Radiology

## Magnetic Resonance Imaging Services of Monroe Carell, Jr. Children's Hospital at Vanderbilt

2200 Childrens Way  
Suite 1421  
Nashville, Tennessee 37232

were surveyed by the  
Committee on MRI Accreditation of the  
Commission on Quality and Safety

The following magnet was approved

**Philips INTERA 1.5 2003**

For

**Head, Spine, Body, MSK, MRA, Cardiac**

Accredited from:

**July 18, 2017 through July 18, 2020**

A handwritten signature in dark ink, appearing to read "Anthony J. Santoro, M.D.", written over a horizontal line.

CHAIRMAN, COMMITTEE ON MRI ACCREDITATION

A handwritten signature in dark ink, appearing to read "Beth Allen", written over a horizontal line.

PRESIDENT, AMERICAN COLLEGE OF RADIOLOGY

Attachment B. Economic  
Feasibility.A.5

Construction Letter



June 13, 2018

Ms. Ginna Rader Felts  
Vice President , Business Development  
Vanderbilt University Medical Center  
3319 West End Avenue, Suite 920  
Nashville, TN 37203

**Re: CON Application  
Clinic and Outpatient Services  
VUMC Murfreesboro**

Dear Ginna:

Al. Neyer, LLC is a licensed General Contractor in the State of Tennessee. We have reviewed the Design Development Documents and Facilities Program for the above reference project.

Our review confirmed the size and scope of the project. Based on the review of the documents the MRI space for this facility is 1,082 SF. Based on our experience in similar projects and historical cost data from similar projects, the construction estimate would be \$461,251 for this size and type of project in the area.

Sincerely,



Justin A. Hartung  
Vice President, Design Build

Attachment B. Economic  
Feasibility.B

Funding Documentation



*Cecelia B. Moore*  
*Chief Financial Officer and Treasurer*  
*VUMC Finance*

July 1, 2018

Ms. Melanie M. Hill  
Executive Director  
Tennessee Health Services & Development Agency  
Andrew Jackson Building  
9<sup>th</sup> Floor  
502 Deaderick St.  
Nashville, TN 37243

Dear Ms. Hill:

This letter will confirm that Vanderbilt University Medical Center has resources sufficient to fund the project described in this Certificate of Need application. Funding of the project will be provided through cash reserves.

As evidence of Vanderbilt's ability to provide the necessary capital, the following information is offered.

1. As of June 30, 2017 (date of our most recent audit), Vanderbilt University Medical Center held unrestricted cash and unrestricted investments with a fair market value of \$811M.
2. Vanderbilt University Medical Center has an investment grade credit rating of A3 from Moody's Investor Service.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cecelia B. Moore'.

Cecelia B. Moore  
Chief Financial Officer and Treasurer  
Vanderbilt University Medical Center



Attachment B.Economic  
Feasibility.F.1

Financial Statements –  
Vanderbilt University Medical  
Center

# **Vanderbilt University Medical Center**

**Consolidated Financial Statements  
June 30, 2017 and 2016 and  
Year Ended June 30, 2017**

**Vanderbilt University Medical Center**  
**Index**  
**June 30, 2017 and 2016**

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## Report of Independent Auditors

To the Board of Directors of  
Vanderbilt University Medical Center

We have audited the accompanying consolidated financial statements of Vanderbilt University Medical Center (the "Medical Center"), which comprise the consolidated balance sheets as of June 30, 2017 and June 30, 2016, and the related consolidated statement of operations, statement of changes in net assets, and statement of cash flows for the year ended June 30, 2017.

### ***Management's Responsibility for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Vanderbilt University Medical Center as of June 30, 2017 and June 30, 2016, and the results of its operations and its cash flows for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

*PricewaterhouseCoopers LLP*

October 19, 2017

**Vanderbilt University Medical Center**  
**Consolidated Balance Sheets**  
**June 30, 2017 and 2016**

(\$ in thousands)	2017	2016
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 520,857	\$ 596,506
Current investments	133,977	-
Patient accounts receivable, net of allowance for bad debts of \$130.5 million and \$20.2 million as of June 30, 2017 and 2016, respectively	378,704	343,241
Estimated receivables under third-party programs	12,642	9,123
Grants and contracts receivable, net	67,249	60,943
Inventories	67,478	61,925
Other current assets	69,058	87,020
Total current assets	1,249,965	1,158,758
Noncurrent investments	94,412	-
Noncurrent investments limited as to use	202,592	196,944
Property, plant, and equipment, net	1,219,768	1,130,116
Other noncurrent assets	34,593	33,166
Total assets	\$ 2,801,330	\$ 2,518,984
<b>Liabilities and Net Assets</b>		
Current		
Current installments of long-term debt	\$ 5,753	\$ 5,000
Accounts payable and other accrued expenses	272,641	206,034
Bank overdrafts	-	13,846
Estimated payables under third-party programs	37,072	30,990
Accrued compensation and benefits	194,739	200,110
Current portion of deferred revenue	39,353	38,345
Current portion of medical malpractice self-insurance reserves	17,161	20,657
Total current liabilities	566,719	514,982
Long-term debt, net of current installments	1,288,346	1,286,063
Fair value of interest rate exchange agreements	65,203	89,536
Noncurrent portion of medical malpractice self-insurance reserves	54,373	67,319
Noncurrent portion of deferred revenue	10,694	6,268
Other noncurrent liabilities	15,093	11,641
Total liabilities	2,000,428	1,975,809
Net assets		
Unrestricted net assets controlled by Vanderbilt University Medical Center	708,088	503,894
Unrestricted net assets related to noncontrolling interests	5,891	5,527
Total unrestricted net assets	713,979	509,421
Temporarily restricted net assets	69,058	26,985
Permanently restricted net assets	17,865	6,769
Total net assets	800,902	543,175
Total liabilities and net assets	\$ 2,801,330	\$ 2,518,984

The accompanying notes are an integral part of these consolidated financial statements.

**Vanderbilt University Medical Center**  
**Consolidated Statement of Operations**  
**Year Ended June 30, 2017**

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(\$ in thousands)

**Operating revenues**

Patient service revenue, net of contractual adjustments and discounts	\$ 3,444,438
Provision for bad debts	(109,119)
Patient service revenue, net	<u>3,335,319</u>
Academic and research revenue	416,338
Other operating revenue	<u>151,911</u>
Total operating revenues	<u>3,903,568</u>

**Operating expenses**

Salaries, wages, and benefits	2,035,263
Supplies and drugs	699,200
Facilities and equipment	245,731
Services and other	604,987
Depreciation and amortization	91,443
Interest	<u>48,482</u>
Total operating expenses	<u>3,725,106</u>
Income from operations	<u>178,462</u>

**Nonoperating revenues and expenses**

Income from investments	21,250
Gift income	9,770
Earnings of unconsolidated organizations	3,910
Unrealized gain on interest rate exchange agreements, net of cash settlements	18,845
Other nonoperating gains (losses), net	<u>(861)</u>
Total nonoperating revenues and expenses	<u>52,914</u>
Excess of revenues over expenses	231,376
Excess of revenues over expense attributable to noncontrolling interests	<u>(4,883)</u>
Excess of revenues over expense attributable to VUMC	226,493

**Other changes in unrestricted net assets**

Change in noncontrolling interest's net assets	364
Net asset reclassification	(22,234)
Other changes	<u>(65)</u>
Total changes in unrestricted net assets	<u>\$ 204,558</u>

The accompanying notes are an integral part of these consolidated financial statements.

**Vanderbilt University Medical Center**  
**Consolidated Statement of Changes in Net Assets**  
**Year Ended June 30, 2017**

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*(\$ in thousands)*

**Unrestricted net assets**

Unrestricted net assets at the beginning of the period	\$ 509,421
Excess of revenue over expense	226,493
Change in noncontrolling interest's net assets	364
Net asset reclassification	(22,234)
Other changes	(65)
Change in unrestricted net assets	204,558
Unrestricted net assets at the end of the period	\$ 713,979

**Temporarily restricted net assets**

Temporarily restricted net assets at the beginning of the period	\$ 26,985
Contributions	27,681
Endowment appreciation	749
Net assets released from restrictions	(6,114)
Net asset reclassification	19,757
Change in temporarily restricted net assets	42,073
Temporarily restricted net assets at the end of the period	\$ 69,058

**Permanently restricted net assets**

Permanently restricted net assets at the beginning of the period	\$ 6,769
Contributions	8,619
Net asset reclassification	2,477
Change in permanently restricted net assets	11,096
Permanently restricted net assets at the end of the period	\$ 17,865

**Total net assets**

Beginning of the period	\$ 543,175
Change in total net assets	257,727
End of the period	\$ 800,902

The accompanying notes are an integral part of these consolidated financial statements.

**Vanderbilt University Medical Center**  
**Consolidated Statement of Cash Flows**  
**Year Ended June 30, 2017**

(\$ in thousands)

**Cash flows from operating activities**

Change in total net assets	\$ 257,727
Adjustments to reconcile change in total net assets to net cash provided by operating activities	
Depreciation and amortization	91,443
Amortization of debt issuance costs, and original issue premium and discount	(902)
Provision for bad debts	109,119
Loss on disposal of assets	3,409
Undistributed equity in earnings of equity method affiliates	(1,156)
Net realized and unrealized gain on investments	(16,371)
Purchases of trading securities	(312,072)
Sales of trading securities	112,056
Change in split-interest trusts	(963)
Unrealized gain on interest rate exchange agreements	(24,333)
Restricted contributions for endowments and property, plant, and equipment	(17,991)
(Decrease) increase in cash due to changes in	
Patient accounts receivable	(144,582)
Inventories	(5,553)
Other assets and other liabilities, net	8,641
Accounts payable and other accrued expenses	49,612
Estimated net receivables and payables under third-party programs	2,563
Accrued compensation and benefits	(5,372)
Net cash provided by operating activities	<u>105,275</u>

**Cash flows from investing activities**

Purchase of property, plant, and equipment	(158,729)
Purchases of long-term securities	(59,552)
Sales and maturities of long-term securities	52,237
Change in restricted cash for property, plant, and equipment contributions	(9,371)
Net cash used in investing activities	<u>(175,415)</u>

**Cash flows from financing activities**

Repayment of long-term debt	(4,583)
Principal payments under capital lease obligations	(552)
Change in bank overdrafts	(13,846)
Restricted contributions for endowments and property, plant, and equipment	17,991
Distributions to noncontrolling interests	(4,519)
Net cash used in financing activities	<u>(5,509)</u>
Net change in cash and cash equivalents	(75,649)

**Cash and cash equivalents**

Beginning of the period	<u>596,506</u>
End of the period	<u>\$ 520,857</u>

The accompanying notes are an integral part of these consolidated financial statements.



# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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#### **1. Description of Organization**

Vanderbilt University Medical Center ("VUMC") is a Tennessee not-for-profit corporation incorporated in March of 2015 to operate an academic medical center including a comprehensive research, teaching, and patient care health system (the "Medical Center"). Until April 29, 2016, the Medical Center operated as a unit within Vanderbilt University ("the University" or "VU"), as a part of the University's administrative structure, with the same governing board, legal, financial, and other shared services.

VUMC began operations effective April 30, 2016, following the closing of the sale of the Medical Center by the University (the "Acquisition"). VUMC owns and operates three hospitals primarily located on the main campus of the University in Nashville, Tennessee: Vanderbilt University Adult Hospital ("VUAH"), Monroe Carell Junior Children's Hospital at Vanderbilt ("MCJCHV"), and Vanderbilt Psychiatric Hospital ("VPH"). In addition, VUMC partially owns Vanderbilt Stallworth Rehabilitation Hospital ("VSRH"), also located on the main campus of the University, through a joint venture with HealthSouth Corp. in which VUMC holds a 50% interest, which includes a 1% interest held by Vanderbilt Health Services, LLC, ("VHS"), a VUMC wholly owned subsidiary. VUAH, MCJCHV, and VPH are licensed for 1,025 beds, and VSRH is licensed for 80 beds.

VUMC consists of two major operating divisions and an administrative overhead division. The operating divisions include the Clinical Enterprise and Academic Enterprise divisions. The administrative overhead division is referred to as Medical Center Administration ("MCA").

The Clinical Enterprise division includes the professional clinical practice revenues and related expenses of the Vanderbilt Medical Group ("VMG"), and technical revenues and associated expenses for the operation of VUMC's hospitals and clinic facilities, including VUAH, MCJCHV, and VPH. The Clinical Enterprise also includes VHS.

- VUAH is a quaternary care teaching hospital licensed for 670 acute care and specialty beds. VUAH, a Level I trauma center, provides advanced patient care and serves as a key site for medical education and clinical research conducted by physician faculty. VUAH includes a comprehensive burn center, the Vanderbilt Transplant Center, the Vanderbilt Heart and Vascular Institute, and the Vanderbilt Ingram Cancer Center.
- MCJCHV is a pediatric quaternary care teaching hospital licensed for 129 acute and specialty beds, 42 pediatric intensive care beds, and 96 neonatal intensive care beds. MCJCHV is the region's only full-service pediatric hospital, with over 30 pediatric specialties. MCJCHV serves as a site for medical education and clinical research conducted by pediatric physician faculty, houses the only Level IV neonatal intensive care center and the only Level 1 pediatric trauma center within the region, and is a regional referral center for extracorporeal membrane oxygenation (heart and lung failure).
- VPH is a psychiatric hospital licensed for 88 beds and provides both inpatient and outpatient partial hospitalization psychiatric services to both adult and adolescent patients. Also, VPH provides psychiatric assessment services and neuromodulation procedures through electroconvulsive therapy and transcranial magnetic stimulation.
- The VMG is the practice group of physicians and advanced practice nurses employed by VUMC, with faculty appointments from the University, who perform billable professional medical services. The VMG is not a separate legal entity. The VMG has a board which consists of the VUMC clinical service chiefs, who also serve as clinical department chairs. Under the oversight of VUMC executive leadership, the VMG sets professional practice standards, bylaws, policies, and procedures for the administration of a group practice. VUMC bills for services rendered by the VMG clinicians in both inpatient and outpatient locations. Collected fees derive a component of each VMG clinician's compensation.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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- The VMG includes nationally recognized physicians whose expertise spans the spectrum from primary care to the most specialized quaternary discipline. The entire clinical faculty is "board certified" or eligible for board certification. All staff members are re-credentialed every two years by the National Committee for Quality Assurance standards. All specialties and subspecialties currently recognized by the various national specialty boards are represented on the clinical faculty.
- VHS serves as a holding company for 13 health care related subsidiaries and joint ventures owned with various entities, including, but not limited to, VSRH and the Vanderbilt Health Affiliated Network ("VHAN"). VHS operations primarily consist of community physician practices, imaging services, outpatient surgery centers, radiation oncology centers, a home health care agency, a home infusion and respiratory service, an affiliated health network, and a rehabilitation hospital. These subsidiaries include clinics managed in multiple outpatient locations throughout middle Tennessee and southwestern Kentucky.

The Academic Enterprise division includes all clinically-related research, research-support activities, and faculty endeavors supporting post-graduate training programs. A significant funding source for VUMC's research has historically been the federal government. Federal funding is received from the Department of Health and Human Services, the National Institutes of Health, the Department of Defense, NASA, and other federal agencies. Sponsored research awards, including multiple-year grants and contracts from government sources, foundations, associations, and corporations signify future research commitments. Also, core activities supporting research, including advanced computing and grant administration, are included in this division.

The terms "Company," "VUMC," "we," "our" or "us" as used herein and unless otherwise stated or indicated by context, refer to Vanderbilt University Medical Center and its affiliates. The term "facilities" or "hospitals" refer to entities owned and operated by VUMC and its affiliates and the term "employees" refers to employees of VUMC and its affiliates.

VUMC operates on a fiscal year which ends on June 30. The term "Fiscal" preceding a year refers to a particular VUMC fiscal year.

## **2. Summary of Significant Accounting Policies**

### **Basis of Presentation**

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the U.S. (GAAP). Based on the existence or absence of donor-imposed restrictions, VUMC classifies resources into three categories: unrestricted, temporarily restricted, and permanently restricted net assets.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of VUMC and its wholly owned, majority-owned, and controlled organizations. Noncontrolling interests in less-than-wholly owned consolidated subsidiaries of VUMC are presented as a component of net assets to distinguish between the interests of VUMC and the interests of the noncontrolling owners. All material intercompany transactions and account balances among the various entities have been eliminated.

VUMC uses the equity method to account for its interests in unconsolidated partnerships, joint ventures, and limited liability entities over which it exercises significant influence. Investment carrying amounts are adjusted for VUMC's share of investee earnings or losses based on percentage of ownership. Distributions received from unconsolidated entities that represent returns on the investor's investment (i.e., dividends) are reported as cash flows from operating activities in the investor's statement of cash flows.

# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the consolidated financial statements and accompanying notes. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated balance sheet and the reported amounts of revenues and expenses during the reporting period. Actual results ultimately could differ from those estimates.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are liquid assets with minimal interest rate risk and maturities of three months or less when purchased. VUMC invests operating assets in a diversified manner. At times, VUMC may have cash and cash equivalents at a financial institution in excess of federally insured limits, and therefore, bear a risk of loss. VUMC maintains certain cash balances within the noncurrent investments limited as to use caption in the consolidated balance sheet which are not included in the cash and cash equivalents section.

#### **Revenue Recognition—Healthcare Services**

VUMC recognizes revenues from patient services in the period those services are provided and reports these revenues at the net realizable amount expected to be collected from patients or through the assignment or other entitlement to receive patients' benefits payable under patients' health insurance programs, plans or policies. Amounts realized from patient services are generally less than standard billing charges, due to contractual agreements with third-party payors, state-mandated discounts, governmental programs that require reduced billing rates, or amounts which prove uncollectible.

In addition to patient payments, VUMC earns revenue and reimbursements from certain services provided under federal healthcare programs, and other contracts with third-party payors. These compensation arrangements are complex programs which extend over multiple accounting periods, are subject to the interpretation of federal and state-specific reimbursement rates, new or changing legislation, and final cost report settlements. Estimated settlements under these programs are recorded in the period the related services are performed and are subsequently adjusted, as needed, based on new information.

VUMC receives periodic interim payments from Medicare in lieu of individual payments for patient claims processed by VUMC's fiscal intermediary. These payments are applied against claims processed, with the final settlement of amounts owed for a fiscal year included in the applicable Medicare cost report.

In evaluating the collectability of accounts receivable, VUMC analyzes its history and identifies trends for each of its major revenue categories to estimate the appropriate allowance for bad debts and related provision. Management regularly reviews data about these major revenue categories in evaluating the sufficiency of the allowance for bad debts, taking into consideration recent write-off experience by payor category, payor agreement rate changes, and other factors. For third-party payors, the provision is determined by analyzing contractually due amounts from payors who are known to be having financial difficulties. For self-pay patients, the provision is based on an analysis of experience related to patients' payments. The difference between the standard rate charged (less contractual adjustments and discounts) and the amount collected (after reasonable collection efforts have been exhausted) are charged against the allowance for doubtful accounts. VUMC follows established guidelines, Centers for Medicare & Medicaid Services (CMS) regulations, and IRS Reg. §1.501(r)-6 for placing certain past-due patient balances with external collection agencies. During Fiscal 2017, cash collections related to the professional and technical component of our patient accounts receivable balance exceeded the receivable recorded as of June 30, 2016 by \$40.4 million.

# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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VUMC provides care to patients who meet the criteria under its financial assistance policy for no payment, or at payment amounts less than its established charge rates. VUMC does not recognize the charges that qualify as charity care as revenue because VUMC does not pursue collection of these amounts.

#### **Revenue Recognition— Academic and Research**

VUMC receives funding through grants and contracts issued by departments and agencies of the U.S. government, industry, and other foundation sponsors who restrict the use of such funds to academic and research purposes. VUMC recognizes revenue from these grants and contracts upon the incurrence of allowable expenditures, as defined in the agreements governing that funding. VUMC recognizes facilities and administrative (F&A) costs recovery as revenue when revenue is recognized on the associated grant or contract. This activity represents reimbursement, primarily from the federal government, of F&A costs on sponsored activities.

Research grants and contracts receivable includes amounts due from these sponsors of externally funded research. These amounts have been billed or are billable to the sponsor. These receivables are reported net of reserves for uncollectible accounts.

#### **Deferred Revenue**

The majority of deferred revenue relates to grants and contracts whereby certain grantors pay in advance of incurring eligible costs. In these cases, VUMC records the amount received in excess of reimbursable costs incurred as deferred revenue.

#### **Gift Income and Pledges**

VUMC recognizes unconditional promises to give cash and other assets, referred to as pledges, as gift income at fair value when the pledge is received. Conditional promises to give are recognized as pledges once the conditions are substantially met. Gifts received with donor stipulations limiting the use of the donated assets are reported as either temporarily or permanently restricted support, depending on the nature of the restriction. Donor-restricted contributions whose restrictions are met within the same year as received are reported as gift income in the accompanying consolidated statement of operations. Gift income is recognized when a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished. Pledges are treated as unrestricted, temporarily restricted, or permanently restricted net assets depending on the donor instructions associated with the pledge. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted net assets until the assets are placed in service, at which point they are reclassified to unrestricted net assets.

Pledges receivable are reported net of allowances for uncollectible amounts based on an analysis of past collection experience and other judgmental factors. Pledges receivable are reflected as current or noncurrent assets in the consolidated balance sheet based on the expected timing of cash flows. VUMC discounts the noncurrent portion of pledges receivables at a rate commensurate with the scheduled timing of receipt. VUMC applied discount rates ranging from 0.5% to 1.5% to amounts outstanding as of June 30, 2017 and 2016.

#### **Concentrations of Credit Risk**

VUMC grants unsecured credit to its patients, primarily residing in Nashville, Tennessee and the surrounding areas of middle Tennessee, most of whom are insured under commercial, Medicare, or TennCare agreements. Medicare, Blue Cross Blue Shield ("BCBS"), and TennCare (which includes BCBS, United, and Amerigroup) represent VUMC's significant concentrations of credit risk from payors.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**Inventories**

VUMC reports inventories at the lower of cost or market, with cost being determined on the first-in, first-out method. Inventories consist primarily of medical supplies, surgical implants, and pharmaceuticals.

**Investments**

VUMC has elected the fair value option related to investments, including investments limited as to use, and reports investments held at fair value on the consolidated balance sheets. VUMC records purchases and sales of securities on the trade dates and realized gains and losses are determined based on the average historical cost of the securities sold. VUMC reports net receivables and payables arising from unsettled trades as a component of investments.

**Property, Plant, and Equipment, Net**

VUMC records purchases of property, plant, and equipment at cost, and expenses repairs and maintenance costs as incurred. VUMC capitalizes interest cost incurred on borrowed funds during the period of construction of capital assets as a component of the cost of acquiring those assets. VUMC capitalizes donated assets at fair value on the date of donation.

Capitalized software for internal use is recorded during the application development stage. These costs include fees paid to third parties for direct costs of materials and services consumed in developing or obtaining the software; payroll related costs and capitalized interest costs. Costs for training and application maintenance in the post-implementation operation stage are expensed as incurred.

VUMC computes depreciation using the straight-line method over the estimated useful life of land improvements (3 to 18 years), buildings and leasehold improvements (2 to 37 years) and equipment (1 to 20 years). Equipment costs also include capitalized internal use software costs, which are expensed over the expected useful life, which is generally 1.5 to 12 years. VUMC assigns useful lives in accordance with American Hospital Association guidelines.

Software for internal use is amortized on a straight-line basis over its estimated useful life. In determining the estimated useful life, management considers the effects of obsolescence, technology, competition, other economic factors and rapid changes that may be occurring in the development of software products, operating systems, and computer hardware. Amortization begins once the software is ready for its intended use, regardless of when the software is placed into service.

**Impairment of Long-Lived Assets**

VUMC reviews long-lived assets, such as property, plant, and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. VUMC measures the recoverability of assets to be held and used by comparing the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, VUMC recognizes an impairment charge to the extent the carrying amount of the asset exceeds its fair value.

# **Vanderbilt University Medical Center**

## **Notes to Consolidated Financial Statements**

### **June 30, 2017 and 2016**

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#### **Conditional Asset Retirement Costs and Obligations**

VUMC recognizes the estimated fair value of liabilities for existing legal obligations to perform certain activities, primarily asbestos removal, in connection with the retirement, disposal, or abandonment of assets. These liabilities are included in accounts payable and other accrued expenses and total \$6.0 million as of June 30, 2017, and \$5.7 million as of June 30, 2016. VUMC measures these liabilities using estimated cash flows with an inflation rate applied of 3.0% as of June 30, 2017 and 2016. VUMC discounts those cash flow estimates at a credit-adjusted, risk-free rate, which ranged from 2.9% to 4.2% as of June 30, 2017, and from 4.1% to 4.2% as of June 30, 2016, and adjusts these liabilities for accretion costs and revisions in estimated cash flows.

#### **Long-Term Debt**

The carrying value of VUMC's debt is the par amount adjusted for the net unamortized amount of debt issuance costs, and bond premiums and discounts.

#### **Interest Rate Exchange Agreements**

VUMC reports interest rate exchange agreements at fair value, which is determined to be the present value sum of future net cash settlements that reflect market yields as of the measurement date and estimated amounts that VUMC would pay, or receive, to terminate the contracts as of the report date. VUMC considers current interest rates and creditworthiness of the interest rate exchange counterparties when estimating termination settlements.

#### **Self-Insurance Reserves**

VUMC elects to self-insure a portion of its medical malpractice, professional, and general liability coverage via an irrevocable self-insurance trust. The maximum annual self-insurance retention was \$5.5 million per occurrence, up to \$43.0 million in the aggregate for both Fiscal 2017 and 2016. Actuarial firms determine expected losses on an annual basis, at which time VUMC records medical malpractice, professional, and general liability expense within the limits of the program. These liabilities were classified as current or noncurrent based on the expected timing of cash flows and were measured at the net present value of those cash flows using a discount rate of 2.5% as of June 30, 2017 and 2016. For both Fiscal 2017 and 2016, VUMC obtained excess medical malpractice, professional, and general liability coverage from commercial insurance carriers for claims in excess of \$5.5 million per occurrence, up to \$100.0 million. These policies would also provide coverage up to \$100.0 million if any claims in the aggregate exceed \$43.0 million.

VUMC also elects to self-insure for employee health and workers' compensation expenses. Actuarial firms determine expected losses on an annual basis. The maximum retention for workers' compensation was \$0.8 million per occurrence for both Fiscal 2017 and Fiscal 2016. There is no stop loss insurance on health plan claims.

#### **Income Taxes**

VUMC is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal income taxes under Section 501(a) of the Code.

#### **Excess of Revenues Over Expenses**

The consolidated statements of operations include excess of revenues over expenses as a performance indicator. Excess of revenues over expenses includes all changes in unrestricted net assets except for changes in noncontrolling interest holders' share of consolidated entities, reclassifications of net assets from the prior period presentation, and certain other adjustments.

# Vanderbilt University Medical Center

## Notes to Consolidated Financial Statements

### June 30, 2017 and 2016

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#### Conforming Reclassifications

Certain amounts in the Fiscal 2016 balance sheet have been reclassified to conform to their Fiscal 2017 presentation. Compared to previously reported amounts as of June 30, 2016, the balance of accounts payable and other accrued expenses has been reduced by \$9.2 million, with a corresponding increase in other noncurrent liabilities, related to accrued rental costs. Additionally, compared to previously reported amounts as of June 30, 2016, the balance of cash and cash equivalents has been reduced by \$6.6 million, with a corresponding increase in noncurrent investments limited as to use, related to gifts restricted for usage in capital projects.

#### Recent Accounting Pronouncements

Periodically, the Financial Accounting Standards Board ("FASB") issues Accounting Standards Updates ("ASU") that may impact the recognition, measurement, and presentation of balances and activity in VUMC's consolidated financial statements, or the disclosures contained within those statements. As part of preparing financial statements, VUMC evaluates the effects of the ASUs, and applies the updated guidance within the required effective dates.

During Fiscal 2017, VUMC adopted ASU 2014-15, *Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern*. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (i) provide a definition of the term substantial doubt, (ii) provide principles for considering the mitigating effect of management's plans, (iii) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (iv) require an express statement and other disclosures when substantial doubt is not alleviated, and (v) require an assessment for a period of one year after the date that the financial statements are issued, or available to be issued. The adoption of ASU No. 2014-15 had no effect on VUMC's financial statements.

Following is a summary of ASUs which VUMC believes have a reasonably possible likelihood of having a material effect on the recognition, measurement, and presentation of balances and activity in VUMC's consolidated financial statements:

- In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, which is a principles-based standard on revenue recognition. Companies across all industries will use a five-step model to recognize revenue from customer contracts. The new standard, which replaces nearly all existing GAAP revenue recognition guidance, will require significant management judgment in addition to changing the way many companies recognize revenue in their financial statements. The FASB subsequently issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations*, ASU No. 2016-10, *Revenue from Contracts with Customer (Topic 606) Identifying Performance Obligations and Licensing*, and ASU No. 2016-12, *Narrow-Scope Improvements and Practical Expedients* to address issues arising from implementation of the new revenue recognition standard. For VUMC, the revised ASU will be adopted for Fiscal 2019. VUMC continues to evaluate the effects the adoption of this standard will have on our consolidated financial statements and disclosures.
- In February 2016, the FASB issued ASU 2016-02, *Leases*, which requires lessees to recognize assets and liabilities for most leases. ASU 2016-02's transition provisions will be applied using a modified retrospective approach at the beginning of the earliest comparative period presented in the financial statements. For VUMC, the amendments in ASU 2016-02 are effective for Fiscal 2020, although early adoption is permitted. VUMC expects the primary effect of adopting the new standard to be a requirement to record assets and offsetting obligations for current operating leases.

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- In August 2016, the FASB issued ASU 2016-14, *Presentation of Financial Statements for Not-for-Profit Entities*, which, among other things, replaces the existing three-category classification of net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) with a model that combines temporarily restricted and permanently restricted into a single category called "net assets with donor restrictions." Differences in the nature of donor restrictions will be disclosed in the notes, with an emphasis on how and when the resources can be used. ASU 2016-14 also provides guidance for classifying deficiencies in endowment funds, accounting for the lapsing of restrictions on gifts to acquire property, plant, and equipment, and providing information about how the nature of expenses relates to programs and supporting activities. For VUMC, ASU 2016-14 is effective for Fiscal 2019, although early adoption is permitted. ASU 2016-14's requirements must be applied retrospectively; however, entities can elect not to provide certain comparative disclosures in the year of adoption.
- In January 2017, the FASB issued ASU 2017-02, *Clarifying When a Not-for-Profit Entity That Is a General Partner or a Limited Partner Should Consolidate a For-Profit Limited Partnership or Similar Entity*. Under the new guidance, Not-for-Profit (NFP) investors in a limited partnership or similar entity will continue to apply a presumption that the general partner has control and should consolidate the investment unless substantive kick-out or participating rights held by any limited partners overcome that presumption. If the general partner does not have control, the limited partners have to evaluate whether they have control. If a limited partner has control, consolidation is required unless the investment is part of a portfolio for which the NFP "portfolio-wide" fair value option has been elected. In that situation, the limited partner can instead report its interest at fair value, mirroring an exception that already exists for NFP general partners. For VUMC, ASU 2017-02 is effective for Fiscal 2018.

**3. Acquisitions**

On April 29, 2016, VUMC acquired the assets, liabilities, rights, and obligations of the clinical enterprise, post-graduate medical training programs and clinically-related research of the University owned and operated Medical Center for consideration of \$1.23 billion ("the Acquisition"). To fund the Acquisition, VUMC entered into certain debt agreements to borrow \$1.13 billion of publically and privately placed debt and committed to a \$100.0 million subordinate note to the University payable over twenty years (May 2016 through April 2036). VUMC paid VU cash of \$1.13 billion to acquire the Medical Center assets and liabilities which included \$529.0 million of cash. The net cash paid of \$601.0 million represents the \$1.13 billion of cash paid to VU net of the \$529.0 million of cash included in the assets acquired. In addition to the cash consideration paid and subordinate note payable, VUMC committed to additional consideration in the form of other payables of \$31.7 million; a \$12.0 million commitment to fund trans-institutional programs and a \$19.7 million memorandum of understanding ("MOU") to fund certain University capital projects both of which were previously agreed to be funded by the Medical Center. These Medical Center assets and operations were used to form the two major operating divisions of VUMC.

VUMC accounted for the Acquisition using the acquisition method of accounting under ASC 805-10-05-4 as modified by ASC 958-805-25, whereby the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity are recognized and measured at their fair values on the date VUMC obtained control of the Medical Center. The Acquisition resulted in an inherent contribution from the University totaling \$509.0 million. The inherent contribution is a result of the University's interest in the success of VUMC and the shared missions of the two organizations which are memorialized in the agreements discussed within this note. No goodwill was recorded as a result of this transaction.



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The table below summarized the allocation of the purchase price (including assumed liabilities) for the Medical Center as of the acquisition date:

*(\$ in thousands)*

**Identifiable net assets contributed**

Current assets	\$ 492,709
Property, plant, and equipment	1,121,845
Other noncurrent assets	207,101
Liabilities	(574,466)
Noncontrolling interests	(5,502)
Total identifiable net assets contributed	<u>1,241,687</u>
Less: Total consideration paid to VU	
Net cash consideration paid	600,971
Note payable to VU	100,000
Other VU payables	31,700
Total consideration	<u>732,671</u>
Inherent contribution from VU	<u>\$ 509,016</u>

The inherent contribution from VU is included in the following fund balances from April 29, 2016, the date of the Acquisition:

*(\$ in thousands)*

Unrestricted	\$ 476,895
Temporarily restricted	25,360
Permanently restricted	6,761
Total inherent contribution from VU	<u>\$ 509,016</u>

The assets acquired and liabilities assumed from the Acquisition were detailed in a Master Transfer and Separation Agreement ("MTSA"). In addition to the explanation of the transaction details pertaining to the Medical Center assets and liabilities, the MTSA contains the framework for the ongoing economic relationship between VUMC and the University. The relationship is memorialized in the form of an Academic Affiliation Agreement ("AAA"), a Trademark License Agreement ("TMLA"), a Ground Lease, and a Reciprocal Master Services Agreement ("MSA").

#### **4. Related Parties**

After the Acquisition, when control of the assets necessary to operate VUMC transferred from VU, VUMC has operated as a 501(c)(3) not-for-profit corporation, governed by a separate and autonomous board apart from the governance of VU; VUMC is responsible for its debt and liabilities, separate and apart from the University. At legal separation, VUMC and VU entered into several agreements that govern the relationship between the two entities moving forward as described below.

- The AAA outlines the ongoing academic, research, and clinical affiliation between the University and VUMC for all of the University's degree-granting, certificate and research programs. The AAA allocates responsibility between the University and VUMC for jointly

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administered academic and residency programs and is an exclusive agreement between VUMC and VU requiring VUMC to be organized, governed, and operated in a manner that supports VU's academic and research mission. The agreement provides that VU will be the exclusive academic affiliate of VUMC and VUMC will be the exclusive clinical affiliate of VU.

The AAA requires VUMC to pay VU an annualized fee of \$70.0 million in equal monthly payments adjusted annually for inflation based upon the Biomedical Research and Development Price Index (BRDPI) in perpetuity under certain mutually agreed upon termination or default clauses. During Fiscal 2017, VUMC recorded operating expenses totaling \$71.5 million in connection with fees due under the AAA.

The AAA required a one-time \$12.0 million commitment to fund trans-institutional programs with the University. VUMC paid this commitment in June 2017. This commitment was recorded as additional consideration in the Acquisition, as discussed in Note 3—Acquisitions.

- Under the TMLA, the University grants, subject to certain consents and approvals, a perpetual license to use various University-owned licensed marks in connection with VUMC's fundamental activities after the Acquisition date. The licensed marks, which VUMC will continue to use as its primary brands, include virtually all those currently in use by VUMC. This agreement requires VUMC to pay VU a monthly royalty payment equal to 1.0% of all operating revenues (as defined in the TMLA) of VUMC and a percentage of net income (0% in Fiscal 2017, 5% in Fiscal 2018, 10% in Fiscal 2019, and 15% in Fiscal 2020 and beyond) from operations (as defined in the TMLA). Also, VUMC is required to pay VU, in equal monthly installments, an annualized fee of \$61.8 million, increasing by 3% annually, and reduced by the amount of principal payments made under the subordinate note payable to VU discussed in Note 12—Long-Term Debt. This agreement is in force in perpetuity under certain mutually agreed upon termination or default clauses. During Fiscal 2017, VUMC recorded operating expenses totaling \$96.0 million in connection with fees due under the TMLA.
- The Ground Lease is an agreement between VU and VUMC that allows VUMC to use the land on which VUMC's campus and related buildings are located. The initial term of the Ground Lease ends June 30, 2114, with the option to extend the lease for two additional terms of up to fifty to ninety-nine years each with agreement between VU and VUMC. The lease covers 1.7 million square feet or 38.75 acres of space with an annual base rent of \$18.0 million payable monthly and CPI adjusted annually beginning in Fiscal 2017. During Fiscal 2017, VUMC recorded operating expenses totaling \$18.1 million in connection with fees due under the Ground Lease.
- The University and VUMC provide services to one another for agreed-upon consideration as outlined in the MSA. VU will provide services to VUMC such as information technology infrastructure support, utilities, and law enforcement staffing. VUMC will provide various operational services for the University such as student health centers, a psychological counseling center, and animal care. Additionally, the MSA encompasses an Employee Matters Agreement (EMA) and specific Employee Service Agreements (ESAs). The EMA and ESAs govern employee transitions and on-going sharing between VU and VUMC in various capacities, such as research, teaching, clinical, and other administrative services. Services under the MSA can be terminated by either party subject to pre-determined cancellation notification periods. In connection with the MSA, during Fiscal 2017, VUMC recognized revenue totaling \$50.8 million and recorded operating expenses totaling \$121.3 million.

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- Also, as part of the Acquisition, VUMC issued to VU a \$100.0 million subordinate promissory note payable, which is further described in Note 12—Long-Term Debt, with a balance of \$94.6 million as of June 30, 2017, and \$99.2 million as of June 30, 2016. During Fiscal 2017, VUMC recorded interest expense totaling \$3.1 million associated with this subordinate promissory note payable to VU.

The impact of these related party agreements in the statement of operations during Fiscal 2017 is as follows:

*(\$ in thousands)*

Other operating revenues	\$ 50,847
Operating expenses	
Salaries, wages, and benefits	\$ 700
Supplies and drugs	338
Facilities and equipment	53,989
Services and other	251,884
Interest	3,148
Total operating expenses	<u>\$ 310,059</u>

Other current assets include amounts receivable from VU, which totaled \$5.8 million as of June 30, 2017, and \$21.2 million as of June 30, 2016. Accounts payable and other accrued expenses include amounts payable to VU, which totaled \$30.0 million as of June 30, 2017, and \$26.2 million as of June 30, 2016, for services provided to VUMC under the MSA. As of June 30, 2017, the receivable from VU relates to services provided by VUMC to VU under the MSA. As of June 30, 2016, \$17.3 million of the receivable from VU represents the final settlement of the Acquisition, with the remainder relating to services provided by VUMC to VU under the MSA.

In the normal course of business, members of VUMC's Board of Directors or VUMC employees may be directly or indirectly associated with companies engaged in business activities with VUMC. VUMC has a written conflict of interest policy that requires, among other things, that members of the VUMC community (including trustees) may not review, approve, or administratively control contracts or business relationships when (i) the contract or business relationship is between VUMC and a business in which the individual or a family member has a material financial interest or (ii) the individual or a family member is an employee of the business and is directly involved with activities pertaining to VUMC.

Furthermore, VUMC's conflict of interest policy extends beyond the foregoing business activities in that disclosure is required for any situation in which an applicable individual's financial, professional, or other personal activities may directly or indirectly affect, or have the appearance of affecting, an individual's professional judgment in exercising any VUMC duty or responsibility, including the conduct or reporting of research.

The policy extends to all members of the VUMC community (including trustees, faculty, and staff and their immediate family members). Each applicable person is required to certify compliance with the conflict of interest policy on an annual basis. This certification includes specifically disclosing whether VUMC conducts business with an entity in which he or she (or an immediate family member) has a material financial interest as well as any other situation that could appear to present a conflict with VUMC's best interests.

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When situations exist relative to the conflict of interest policy, VUMC takes active measures to manage appropriately the actual or perceived conflict in the best interests of VUMC, including periodic reporting of the measures taken to the Board of Directors Audit Committee.

**5. Patient Service Revenue, Patient Accounts Receivable, and Estimated Third-party Settlements**

The sources of patient service revenues, net, for Fiscal 2017 are as follows:

Commercial/managed care	63.5 %
Medicare/Managed Medicare	22.8
TennCare/Medicaid	12.2
Uninsured (self-pay)	1.5
	<u>100.0 %</u>

Patient service receivables, net, comprise the following as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Patient accounts receivable, net of contractual adjustments and discounts <sup>(1)</sup>	\$ 509,180	\$ 363,459
Allowance for bad debts <sup>(1)</sup>	<u>(130,476)</u>	<u>(20,218)</u>
Patient accounts receivable, net	<u>\$ 378,704</u>	<u>\$ 343,241</u>

<sup>(1)</sup> At the Acquisition, patient accounts receivable were recorded at their fair value, thus the opening balance of the allowance for bad debts was zero. The allowance as of June 30, 2016 represents two months of activity post-Acquisition.

Patient accounts receivable, net of related contractual adjustments, discounts, and bad debt allowances comprise amounts due from the following sources as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Medicare	\$ 56,890	\$ 51,238
TennCare/Medicaid	55,207	51,769
Blue Cross	77,514	76,847
Other third-party payors, primarily commercial carriers	149,049	127,828
Patient responsibility <sup>(1)</sup>	<u>40,044</u>	<u>35,559</u>
Patient accounts receivable, net	<u>\$ 378,704</u>	<u>\$ 343,241</u>

<sup>(1)</sup> Includes self-pay after insurance.

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Estimated third-party settlements by major payor category as of June 30, 2017 and 2016, are as follows:

(\$ in thousands)	2017	2016
Receivables under third-party programs		
Tricare/Champus	\$ 4,712	\$ 9,123
Medicare	7,930	-
Total receivables under third-party programs	<u>\$ 12,642</u>	<u>\$ 9,123</u>
Payables under third-party programs		
TennCare/Medicaid	\$ 37,072	\$ 12,385
Medicare	-	18,024
Other	-	581
Total payables under third-party programs	<u>\$ 37,072</u>	<u>\$ 30,990</u>

Certain contracts require pay for performance or episode of care settlements whereby VUMC receives additional payment or pays a penalty based on ability to achieve certain clinical measures or manage the cost of care for patients within various thresholds. VUMC estimates and accrues these adjustments in the period the related services are rendered, and adjusts these estimates in future periods as settlements are finalized. The aggregate liability associated with pay for performance and episode of care settlements at June 30, 2017 and 2016, was \$1.7 million and \$0.6 million, respectively, with the ultimate resolution of such financial arrangements not expected to have a material impact on the operating results of VUMC.

*Medicare*

Amounts received under Medicare are subject to review and final determination by program intermediaries or their agents. Final settlements have been reached for program periods ended June 30, 2011. Final settlements have not been reached for more recent years due to audit delays experienced with the Medicare Administrative Contractor. VUMC expects final settlements relative to periods through June 30, 2013, to be complete during Fiscal 2018. Years without final settlement determinations are subject to audit by program representatives. VUMC records provisions in the financial statements for the effects of estimated final settlements. The receivable above is presented net of these provisions.

*TennCare*

TennCare is a Medicaid managed care program implemented by the State of Tennessee to provide healthcare coverage to those patients eligible for Medicaid, through the Federal 1115 Waiver Program. VUMC contracts with each of the three TennCare managed care organizations (MCOs), which offer health maintenance organization (HMO) and Medicare Special Needs Products for Dual Eligible Enrollees. VUMC receives inpatient reimbursement through payments that are primarily based on the Medicare severity diagnostic related group system (MS-DRG) for these plans. VUMC receives outpatient payments generally based on an ambulatory payment classification system (APC), and/or a payor-developed fee schedule.

In accordance with the Tennessee Hospital Assessment Act, VUMC receives a payment of a portion of its unreimbursed TennCare costs based upon VUMC's share of uninsured TennCare costs for all of the covered hospitals.

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There is no assurance that this program will be continued or will not be materially modified in the future. In Fiscal 2017, patient service revenues, net, include the following supplemental amounts from TennCare:

*(\$ in thousands)*

Essential access	\$	13,731
Disproportionate share		11,078
Trauma fund		1,798
Graduate medical education		14,117
Reserve for disproportionate share audit		(27,593)
Total supplemental TennCare revenue, net of audit reserves	\$	<u>13,131</u>

**6. Charity Care Assistance, Community Benefits, and Other Unrecovered Costs**

VUMC maintains a policy which sets forth the criteria under which health care services are provided to patients who have minimal financial resources to pay for medical care. Additionally, VUMC provides other services that benefit the economically disadvantaged for which little or no payment is expected.

Charity care is determined by examining patient and family income relative to the federal poverty guidelines. VUMC provides additional discounts based on the income level of the patient household using a sliding scale for those patients with a major catastrophic medical event not qualifying for full charity assistance. Tennessee law mandates that all uninsured patients receive a discount from billed charges for medically necessary services. These amounts are classified as charity care if the patient meets charity care criteria, for which no revenue is recorded, or as a discount, and included as a part of discounts and contractual adjustments.

VUMC maintains records to identify and monitor the level of charity care provided, and these records include gross charges and patient deductibles, coinsurance and copayments forgone for services furnished under its charity care policy, and the estimated cost of those services. VUMC calculates a ratio of total costs to gross charges and then multiplies the ratio by foregone charity care charges in determining the estimated cost of charity care. The gross amount of foregone charity care revenues in Fiscal 2017 total \$261.1 million. The estimated cost of providing care to charity patients in Fiscal 2017 totals \$70.8 million, an amount which has been reduced by any reimbursements from governmental assistance programs to subsidize its care of indigent patients.

In addition to the charity care services described above, TennCare/Medicaid and state indigent programs do not cover the full cost of providing care to beneficiaries of those programs. As a result, in addition to direct charity care costs, VUMC provided services related to TennCare/Medicaid and state indigent programs and was reimbursed substantially below the cost of rendering such services. VUMC also provides public health education and training for new health professionals and provides, without charge, services to the community at large, together with support groups for many patients with special needs.

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**7. Academic and Research Revenue, and Grants and Contracts Receivable, Net**

Academic and research revenue comprises the following for Fiscal 2017:

*(\$ in thousands)*

Grants and contracts revenue	
Federally funded	\$ 234,389
Nonfederally funded	93,762
	<u>328,151</u>
Facilities and administrative costs recovery	88,187
Facilities and administrative costs recovery	<u>\$ 416,338</u>

Grants and contracts receivable comprise the following as of June 30, 2017 and 2016:

*(\$ in thousands)*

	<b>2017</b>	<b>2016</b>
Federally funded	\$ 31,603	\$ 33,353
Nonfederally funded	<u>37,192</u>	<u>28,331</u>
	68,795	61,684
Allowance for bad debts	<u>(1,546)</u>	<u>(741)</u>
Total grants and contracts receivable, net	<u>\$ 67,249</u>	<u>\$ 60,943</u>

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**8. Pledges Receivable, net**

Pledges receivable, net of applied discounts and allowance for uncollectible pledges as of June 30, 2017 and 2016 were as follows:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Amounts due		
Within one year	\$ 7,022	\$ 6,136
In one to five years	12,417	7,928
Total pledges receivable	<u>19,439</u>	<u>14,064</u>
Unamortized discount	(449)	(266)
	<u>18,990</u>	<u>13,798</u>
Allowance for uncollectible pledges	(1,934)	(65)
Net pledges receivable	<u>\$ 17,056</u>	<u>\$ 13,733</u>
Net pledges receivable classified as		
Current	\$ 5,785	\$ 6,070
Noncurrent	11,271	7,663
	<u>\$ 17,056</u>	<u>\$ 13,733</u>
Net pledges receivable by asset class		
Unrestricted	\$ 105	\$ 194
Temporarily restricted	14,475	13,347
Permanently restricted	2,476	192
	<u>\$ 17,056</u>	<u>\$ 13,733</u>

In addition to pledges reported as pledges receivable, VUMC had cumulative bequest intentions and conditional promises to give totaling \$43.0 million as of June 30, 2017, and \$37.7 million as of June 30, 2016. Due to their conditional nature, VUMC does not recognize intentions to give as assets.

**9. Other Relevant Financial Information**

Other current assets comprise the following as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Prepaid expenses	\$ 20,137	\$ 23,243
Other receivables	27,363	28,274
Amounts due from VU (see Note 4—Related Parties)	5,814	21,178
Current pledges receivable, net (see Note 8—Pledges Receivable, net)	5,785	6,070
Expected recoveries from commercial insurance carriers	4,028	6,759
Other	5,931	1,496
Total other current assets	<u>\$ 69,058</u>	<u>\$ 87,020</u>



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Other noncurrent assets comprise the following as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Equity in unconsolidated organizations	\$ 20,184	\$ 19,028
Noncurrent pledges receivable (see Note 8— Pledges Receivable, net)	11,271	7,663
Other	3,138	6,475
Total other noncurrent assets	<u>\$ 34,593</u>	<u>\$ 33,166</u>

Other operating revenue comprises the following for Fiscal 2017:

<i>(\$ in thousands)</i>	
Amounts recognized under MSA with VU (see Note 3—Acquisitions and Note 4—Related Parties)	\$ 50,847
Clinical contracts	25,304
Medical services provided during air transports	10,561
Resident and house staff rotations	9,147
Other	56,052
Total other operating revenue	<u>\$ 151,911</u>

In Fiscal 2017, noncash investing and financing activities totaled \$9.0 million related to property, plant, and equipment expenditures financed through the product financing arrangement and capital leases discussed in Note 12—Long-Term Debt.

**10. Investments**

VUMC investment balances are as follows as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Current		
Unrestricted investments	\$ 133,977	\$ -
	<u>133,977</u>	<u>-</u>
Noncurrent		
Unrestricted investments	94,412	-
Investments limited as to use	202,592	196,944
	<u>297,004</u>	<u>196,944</u>
	<u>\$ 430,981</u>	<u>\$ 196,944</u>

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VUMC investments include assets limited as to use related to the following specified purposes as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Assets held in trust		
Self-insured malpractice program	\$ 69,849	\$ 79,280
Self-insured workers' compensation program <sup>(1)</sup>	-	9,040
	<u>69,849</u>	<u>88,320</u>
Internally designated	<u>85,865</u>	<u>79,380</u>
Externally designated		
Donor-designated gifts for capital assets	31,248	22,315
Donor endowments	8,283	545
Split-interest trusts	<u>7,347</u>	<u>6,384</u>
	<u>46,878</u>	<u>29,244</u>
	<u>\$ 202,592</u>	<u>\$ 196,944</u>

<sup>(1)</sup> In Fiscal 2017, VUMC obtained a surety bond to meet state security requirements for its self-insured workers' compensation program, eliminating the need to set aside investments for this purpose.

Endowment-related assets include both donor-restricted endowment funds, included in externally designated, and board designated institutional funds, included in internally designated. VUMC's endowment does not include gift annuities, interests in trusts held by others, contributions pending donor designation, or contributions receivable.

The Board of Director's interpretation of its fiduciary responsibilities for donor-restricted endowments under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) requirements is to preserve intergenerational equity, barring the existence of any donor-specific provisions. Under this broad guideline, future endowment beneficiaries should receive at least the same level of real economic support as the current generation. The overarching objective is to preserve and enhance the real (inflation-adjusted) purchasing power of the endowment in perpetuity. VUMC invests assets to provide a relatively predictable and stable stream of earnings to meet spending needs and attain long-term return objectives without the assumption of undue risks.

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Investments were as follows as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Corporate bonds	\$ 119,045	\$ -
Equity mutual funds	112,704	88,565
Restricted cash	32,569	22,956
Split-interest trusts	7,347	6,384
Hedged equity funds	14,759	14,740
Fixed income mutual funds	38,211	35,377
Certificates of deposit	38,657	-
Asset-backed securities	21,779	-
Real estate mutual funds	16,206	13,398
Commercial paper	11,609	-
Government bonds	9,097	9,019
Hedged debt funds	5,178	3,200
Commodities and managed futures mutual funds	3,820	3,305
Total investments, at fair value	<u>\$ 430,981</u>	<u>\$ 196,944</u>

Investment returns comprise the following elements for Fiscal 2017:

<i>(\$ in thousands)</i>	
Interest and dividend income	\$ 8,417
Net realized gains on sales of securities	<u>3,493</u>
Realized investment gains, before fees	11,910
Unrealized investment gains and losses, net	<u>12,878</u>
Total investment returns before fees	24,788
Investment manager and trustee fees and other	<u>(3,538)</u>
Total income from investments	<u>\$ 21,250</u>

VUMC has exposure to risks including liquidity, interest rate, counterparty, basis, regulatory, market, and credit risks for marketable securities. Due to the level of risk exposure, it is possible that material near-term valuation changes for investment securities may occur.

VUMC manages all investments, including endowments, as an investment pool.

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**11. Property, Plant, and Equipment, Net**

Property, plant, and equipment comprise the following as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Land and land improvements	\$ 27,762	\$ 18,117
Buildings and improvements	893,728	863,023
Equipment	205,357	164,395
Construction in progress	196,828	98,860
Property, plant, and equipment at cost	<u>1,323,675</u>	<u>1,144,395</u>
Accumulated depreciation and amortization	<u>(103,907)</u>	<u>(14,279)</u>
Property, plant, and equipment, net	<u>\$ 1,219,768</u>	<u>\$ 1,130,116</u>

As part of the MTSA, VUMC acquired land and land improvements, and buildings and improvements which are not allowed to be repurposed without the express consent of VU.

Property, plant, and equipment balances above include the following amounts related to capitalized internal use software:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Equipment	\$ 6,287	\$ 5,800
Construction in progress <sup>(1)</sup>	<u>92,478</u>	<u>33,378</u>
	98,765	39,178
Accumulated amortization	<u>(2,230)</u>	<u>(319)</u>
Internal use software, carrying value	<u>\$ 96,535</u>	<u>\$ 38,859</u>

<sup>(1)</sup> As of June 30, 2017 and 2016, construction in progress includes \$24.9 million and \$3.0 million, respectively, of internal costs, primarily payroll and payroll-related costs for employees directly associated with and who devoted time to internal use software.

As of June 30, 2017 and 2016, internal use software capitalized includes \$92.5 million and \$33.4 million, respectively, of costs related to the implementation of an integrated electronic health record and revenue cycle system. The system is scheduled to go-live in November 2017. Once the software is ready for its intended use, these costs will be amortized over the estimated 12 year life. VUMC anticipates approximately \$130 million of capitalizable internal software costs related to this project. In addition to internal use software, VUMC has capitalized \$23.8 million of hardware costs related to this project and does not anticipate incurring material amounts of additional hardware costs through the go-live date.

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Depreciation and amortization comprised the following amounts in Fiscal 2017:

(\$ in thousands)

Depreciation of tangible assets	\$ 82,836
Amortization of capital leases, leasehold improvements, and internal use software	8,607
Total depreciation and amortization	<u>\$ 91,443</u>

In Fiscal 2017, VUMC capitalized interest of \$1.1 million related to long-term capital projects, primarily internal use software costs. As of June 30, 2017 there were \$16.7 million of capital expenditures incurred but not yet paid. These costs are included in accounts payable and other accrued expenses on the consolidated balance sheet.

**12. Long-Term Debt**

Long-term debt comprises the following as of June 30, 2017 and 2016:

	2017		2016	
	Carrying Amount	Effective Interest Rate	Carrying Amount	Effective Interest Rate
(\$ in thousands)				
<b>2016 Series Debt, at par</b>				
Fixed-rate debt				
Series 2016A	\$ 476,930	4.1 %	\$ 476,930	4.3 %
Series 2016B	300,000	4.1 %	300,000	4.3 %
Total fixed-rate debt	<u>776,930</u>	4.1 %	<u>776,930</u>	4.3 %
Variable-rate debt				
Series 2016C	50,000	2.2 %	50,000	1.9 %
Series 2016D	100,000	3.3 %	100,000	3.2 %
Series 2016E	128,070	3.2 %	128,070	3.0 %
Series 2016F	75,000	3.3 %	75,000	3.1 %
Total variable-rate debt	<u>353,070</u>	3.1 %	<u>353,070</u>	2.9 %
Total 2016 Series Debt, par	<u>1,130,000</u>		<u>1,130,000</u>	
<b>Other long-term debt</b>				
Note payable to VU	94,583	3.2 %	99,166	3.2 %
Product financing arrangement	22,273	4.0 %	14,977	4.1 %
Capital leases	1,448	4.5 %	-	
Subtotal <sup>(1)</sup>	<u>1,248,304</u>	3.8 %	<u>1,244,143</u>	3.9 %
Net unamortized premiums	57,467		59,328	
Net unamortized issuance costs	<u>(11,672)</u>		<u>(12,408)</u>	
Total long-term debt	<u>1,294,099</u>		<u>1,291,063</u>	
Current portion	<u>(5,753)</u>		<u>(5,000)</u>	
Long-term debt, net	<u>\$ 1,288,346</u>		<u>\$ 1,286,063</u>	

<sup>(1)</sup> The effective interest rate, 3.8% as of June 30, 2017, and 3.9% as of June 30, 2016, is presented exclusive of interest rate exchange agreements discussed in Note 13—Interest Rate Exchange Agreements. Inclusive of these agreements, the overall portfolio effective interest rate was 4.2%.

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On April 29, 2016, VUMC issued the Series 2016 A,B,C,D,E, and F bonds ("2016 Series Debt") and notes aggregating \$1.278 billion of proceeds for the purpose of financing the Medical Center Acquisition and paying a portion of the costs of issuance associated with the 2016 Series Debt.

The bonds and notes comprising the 2016 Series Debt were issued by the Health and Educational Facilities Board of The Metropolitan Government of Nashville and Davidson County, Tennessee (HEFB). As a conduit issuer, the HEFB loaned the debt proceeds to VUMC. VUMC's debt service requirements under these loan agreements coincide with required debt service of the actual HEFB bonds.

- The Series 2016A tax-exempt fixed-rate revenue bonds were issued in the par amount of \$476.9 million and include an original issue premium of \$59.6 million. The Series 2016A bonds have a final maturity date of July 1, 2046, and can be optionally redeemed at par on or after July 1, 2026. The 2016A bonds were structured as serial bonds with maturities from fiscal 2030 through 2032, as well as three term bonds maturing fiscal 2036 through 2047 which are subject to mandatory sinking fund redemption in lots. The Series 2016A bonds bear interest at 5% per annum and pay interest semi-annually on July 1<sup>st</sup> and January 1<sup>st</sup>.
- The Series 2016B taxable fixed-rate revenue bonds were issued in the par amount of \$300.0 million bear interest at 4.1% per annum, and have a bullet maturity of July 1, 2026. VUMC is entitled, at its option, to redeem all or a portion of the Series 2016B bonds before April 1, 2026, at a make-whole redemption price, which equals the greater of (i) 100% of the remaining outstanding principal and (ii) the net present value of the remaining scheduled principal and interest payments to the original maturity date, using a discount rate 35 basis points above rates for U.S. Treasury securities with comparable maturities.
- The Series 2016C taxable variable-rate revenue bonds (R-FLOATs) were issued in the par amount of \$50.0 million and bear interest initially at a fixed spread to weekly LIBOR of 1.6%. The R-FLOATs have an optional tender provision whereby the bondholder can tender the bond to the trustee for purchase in whole or part. The funds for optional redemption are derived solely from remarketing proceeds or funds provided by VUMC; however, VUMC is not required to provide such funds. If the bonds cannot be remarketed at optional redemption, they are returned to the bondholder and enter a term out period of 24 months. If bonds cannot be successfully remarketed by the end of the 24-month term out period, they are subject to mandatory redemption. In addition to optional redemption of all or a portion of the bonds, the Series 2016C bonds are subject to mandatory sinking fund redemption starting on July 1, 2030 through final maturity of July 1, 2046.
- The Series 2016D taxable variable-rate revenue notes (floating rate notes) were issued in the par amount of \$100.0 million and bear interest initially at a fixed spread to one-month LIBOR of 2.5% through the initial mandatory tender date of July 1, 2021, and a final maturity of July 1, 2046. Beginning six months prior to the mandatory tender date of July 1, 2021, the bonds have an optional redemption feature. If the Series 2016D bonds are successfully remarketed at the mandatory tender date, they are subject to mandatory redemption in lots commencing on July 1, 2021, and each July thereafter until final maturity.
- The Series 2016E taxable term loan revenue notes were issued in the par amount of \$128.1 million and were placed privately with a bank. The notes bear interest in a variable-rate mode at a fixed spread to one-month LIBOR of 2.4% through the initial mandatory tender date of July 1, 2022, and a final maturity of July 1, 2046. In addition to optional redemption of all or a portion of the notes at any time, subject to notice, the Series 2016E notes are subject to principal amortization commencing on July 1, 2022, as defined in the Series 2016E loan agreement between VUMC and the lender.

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- The Series 2016F taxable variable-rate revenue bonds were issued in the par amount of \$75.0 million and were placed privately with a bank. The bonds bear interest in a variable-rate mode at a fixed spread to one-month LIBOR of 2.5% through the initial mandatory tender date of July 1, 2022. If the Series 2016F bonds are successfully remarketed, the bonds can be optionally redeemed in-part or in-whole in the current interest mode at par on or after July 1, 2022, at which time the bonds are also subject to mandatory sinking fund redemption until the final maturity date of July 1, 2041.

Each of the bonds and notes comprising the 2016 Series Debt represent separate obligations under a Master Trust Indenture (MTI) structure. The MTI provides the flexibility for multiple parties to participate in debt issuances as part of an obligated group; presently, VUMC has no other members participating in the obligated group. All debt issued under the MTI are general obligations of the obligated group. Under the provisions of the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing ("the Security Agreement") within the MTI, gross receivables of the obligated group are pledged as collateral. Additionally, the Security Agreement established a mortgage lien on (i) the leasehold interest of the land subject to the Ground Lease; (ii) the buildings, structures, improvements, and fixtures now or hereafter located on the land subject to the Ground Lease; and (iii) certain other collateral.

Trust indentures for certain bond issues contain covenants and restrictions, the most material of which include limitations on the issuance of additional debt, maintenance of a specified debt service coverage ratio, and a minimum amount of days cash on hand. VUMC complied with such covenants and restrictions as of June 30, 2017 and 2016.

On April 29, 2016, VUMC delivered a secured subordinated promissory note in the amount of \$100.0 million to Vanderbilt University to finance the Acquisition ("the VU subordinated note"). The note was issued at a fixed rate of 3.25% with monthly principal payments totaling \$5.0 million annually commencing on May 31, 2016, for a period of twenty years ending on April 30, 2036. VUMC may, at any time and from time to time, without premium or penalty, prepay all or any portion of the unpaid principal amount of the VU subordinated note. This note is secured by the gross receivables and mortgaged property described in the Security Agreement subject to the requirements of the 2016 Series Debt and the MTI.

As part of the Acquisition, VUMC assumed a 10 year, unsecured, noninterest bearing product financing arrangement with a vendor for the purchase and implementation of internal use software. As part of this agreement, VUMC has committed to an annual payment of \$0.5 million payable in monthly installments through November of 2019. These payments will be considered imputed interest. During Fiscal 2020, the annual payment increases to \$4.9 million payable in monthly installments. These payments are considered principal and imputed interest and continue through Fiscal 2026. The balance due under the Product Financing Arrangement is \$22.3 million and \$15.0 million as of June 30, 2017 and 2016, respectively, and is included in the long-term debt caption of the consolidated balance sheets.

Interest paid on all obligations, net of amounts capitalized was \$38.0 million in Fiscal 2017.

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Principal retirements and scheduled sinking fund requirements based on nominal maturity schedules for long-term debt due in subsequent fiscal years ending June 30 are as follows:

2018	\$ 5,753
2019	5,391
2020	7,486
2021	8,866
2022	109,030
Thereafter	1,111,778
	<u>\$ 1,248,304</u>

VUMC has entered into an agreement with a bank to provide a general use line of credit with a maximum available commitment totaling \$100.0 million. The line of credit, which may be drawn upon for general operating purposes, expires on April 27, 2018, and can be renewed. Interest on each advance under this line of credit accrues at a rate of 0.75% plus LIBOR, and a commitment fee of 0.20% per annum accrues on any unused portion of the line of credit. Commitment fees for the line of credit totaled \$0.2 million in Fiscal 2017. No amounts were drawn under this credit facility as of June 30, 2017, or June 30, 2016.

**13. Interest Rate Exchange Agreements**

On April 29, 2016, the University transferred an interest rate exchange agreement to VUMC with a total notional amount of \$150.0 million with a maturity date of May 1, 2040. VUMC split the transferred notional amount into two agreements, with key features summarized below:

Notional Amount	Pay Fixed Rate	Receive Variable Rate	Maturity
\$75.0 million	4.12 %	68% of one-month LIBOR	April 29, 2021
\$75.0 million	4.18 %	68% of one-month LIBOR	April 29, 2023

VUMC incorporated these interest rate exchange agreements into its debt portfolio management strategy. Collateral pledging requirements were removed from the novated agreements, and the agreements were modified to terminate automatically on April 29, 2021 and 2023, at which point the exchange agreements will be settled at fair value.

VUMC recorded the following activity related to the interest rate exchange agreements during Fiscal 2017:

*(\$ in thousands)*

Mark-to-market adjustments	\$ 24,333
Cash settlements	<u>(5,488)</u>
Unrealized gain on interest rate exchange agreements, net of cash settlements	<u>\$ 18,845</u>



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**14. Operating Leases**

VUMC has entered into certain long-term agreements with respect to facilities and equipment, both as a lessee and a lessor, which VUMC classifies as operating leases. Rental expense and rental income in Fiscal 2017 are as follows:

(\$ in thousands)		Location in Consolidated Statement of Operations
Operating lease rental expense	\$ 108,008	Operating Expenses— Facilities and equipment
Operating lease rental income, including related party income	7,764	Operating Revenues— Other operating revenue

The following is a schedule by fiscal year of future minimum rentals on noncancelable operating leases as of June 30, 2017:

(\$ in thousands)	Equipment	Property	Ground Lease	Total
2018	\$ 18,794	\$ 46,053	\$ 18,602	\$ 83,449
2019	14,684	44,159	18,602	77,445
2020	10,406	43,016	18,602	72,024
2021	6,392	35,899	18,602	60,893
2022	5,234	28,167	18,602	52,003
Thereafter	4,652	170,149	1,730,023	1,904,824
Total minimum rentals	<u>\$ 60,162</u>	<u>\$ 367,443</u>	<u>\$ 1,823,033</u>	<u>\$ 2,250,638</u>

Essential provisions of leases considered by management to be material are as follows:

- On April 29, 2016, VUMC entered into a Ground Lease with VU for approximately 1.7 million square feet of space for an initial term ending June 30, 2114, and an option to extend for up to two additional terms of fifty to ninety-nine years each upon agreement by VU and VUMC. The initial annual base rent of \$18.0 million is payable monthly and CPI adjusted annually. The Ground Lease allows VUMC to use the land on which its campus and related buildings are located. The \$1.8 billion in ground lease payments in the table above represents future minimum rentals based on current payments.
- In July 2007, VU entered an agreement to lease approximately 50% of the space in the 850,000 square foot One Hundred Oaks shopping center located approximately five miles from the main campus ("100 Oaks Lease"). VU redeveloped this leased space primarily for medical and office uses. This operating lease commenced during Fiscal 2009 with an initial lease term of twelve years. In October 2014, VU agreed to an amendment which extends the original lease term by an additional fifteen years, with an option to renew the lease further for four additional ten-year periods. As part of the lease agreement, the lessee also has first rights on leasing additional space in the shopping center and first rights on purchasing if the landlord desires to sell. On April 29, 2016, the 100 Oaks Lease was assigned to VUMC. As a condition of the assignment, amendments to the 100 Oaks Lease were added which required VUMC to provide the landlord a \$25.0 million irrevocable standby letter of credit, pay a \$13.2 million refinancing penalty payable to the landlord, and pay \$7.8 million of the landlord's

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closing costs, financing fees, and prepayment penalties associated with a refinancing of the landlord's debt. The prepayment penalty and closing costs were recorded as part of the Acquisition. The irrevocable standby letter of credit must remain in place through April 29, 2026. The amounts related to this standby letter of credit are recorded as facilities and equipment expense and totaled \$0.3 million in Fiscal 2017. VUMC included minimum property rental payments totaling \$138.8 million related to this space in the above future minimum property rentals.

- On April 29, 2016, VU assigned to VUMC a lease for approximately 231,000 square feet of office space at 2525 West End Avenue with expiration dates primarily in 2026 through 2030, with options to renew for two additional five-year periods. VUMC included minimum property rental payments totaling \$90.9 million related to this space in the above future minimum property rentals.
- On April 29, 2016, VUMC and VU entered into certain lease agreements for the use of space in buildings owned by both entities. As of June 30, 2017, VUMC's estimated future minimum property lease payments to VU totaled \$34.3 million, and estimated future lease receipts from VU totaled \$61.4 million. For the fiscal years ended June 30, 2018 through 2022, the minimum rental receipts from VU are \$6.8 million.

**15. Net Assets**

Net assets restrictions relate to the following purposes as of June 30, 2017 and 2016:

<i>(\$ in thousands)</i>	<b>2017</b>	<b>2016</b>
Temporarily restricted		
Property, plant, and equipment	\$ 31,248	\$ 15,737
Research and education	35,807	11,087
Operations	2,003	161
Total temporarily restricted net assets	<u>\$ 69,058</u>	<u>\$ 26,985</u>
Permanently restricted		
Research and education	<u>\$ 17,865</u>	<u>\$ 6,769</u>

**Unrestricted net assets** are free of donor-imposed restrictions. This classification includes all revenues, gains, and losses not temporarily or permanently restricted by donors. VUMC reports all expenditures in the unrestricted class of net assets since the use of restricted contributions in accordance with donors' stipulations results in the release of the restriction.

**Temporarily restricted net assets** contain donor-imposed stipulations that expire with the passage of time, or that can be satisfied by the action of VUMC. These net assets may include unconditional pledges, split-interest agreements, interests in trusts held by others, and accumulated appreciation on donor-restricted endowments not yet appropriated by the Board of Directors for distribution.

**Permanently restricted net assets** are amounts held in perpetuity as requested by donors. These net assets may include unconditional pledges, donor-restricted endowments (at historical value), split-interest agreements, and interests in trusts held by others. Generally, the donors of these assets permit VUMC to use a portion of the income earned on related investments for specific purposes.

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UPMIFA specifies that unless stated otherwise in a gift instrument, donor-restricted assets in an endowment fund are restricted assets until appropriated for expenditure. Barring the existence of specific instructions in gift agreements for donor-restricted endowments, VUMC reports the historical value of such endowments as permanently restricted net assets and the net accumulated appreciation as temporarily restricted net assets. In this context, the historical value represents the original value of initial contributions restricted as permanent endowments plus the original value of subsequent contributions and, if applicable, the value of accumulations made in accordance with the direction of specific donor gift agreements.

In Fiscal 2017 VUMC recorded adjustments whose net impact on net asset balances as of June 30, 2016, was to decrease unrestricted net assets by \$22.2 million, increase temporarily restricted net assets by \$19.7 million, and increase permanently restricted net assets by \$2.5 million. The reclassification resulted from donor-restricted pledges and capital gifts totaling \$15.6 million and \$6.6 million, respectively, which were included in unrestricted net assets as of June 30, 2016.

**16. Fair Value Measurements**

Fair value measurements represent the amount at which the instrument could be exchanged in an orderly transaction between market participants at the measurement date. VUMC utilizes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical asset or liabilities in active markets that VUMC has the ability to access.
- Level 2 Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liabilities; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect VUMC's assumptions about the inputs market participants would use in pricing the asset or liability, including assumptions about risk. Unobservable inputs are developed based on the best information available in the circumstances and may include VUMC's own data.

VUMC's principal assets and liabilities subject to fair value measurement are cash and cash equivalents, investments, patient accounts receivable, estimated receivables and payables under third-party programs, grants and contracts receivable, pledges receivable, accounts payable and other accrued expenses, self-insurance reserves, long-term debt, and interest rate exchange agreements. Except for long-term debt, the carrying amount of these assets and liabilities approximate fair value.

As of June 30, 2017, the carrying value and estimated fair value of total long-term debt totaled \$1.294 billion and \$1.319 billion, respectively. As of June 30, 2016, the carrying value and estimated fair value of total long-term debt totaled \$1.291 billion and \$1.378 billion, respectively. VUMC bases estimated fair value of long-term debt on market conditions prevailing at fiscal year-end reporting dates. Besides potentially volatile market conditions, fair value estimates typically reflect limited secondary market trading. The fair values of the fixed rate 2016 Series Debt, as

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defined in Note 12—Long-Term Debt, were based on a Level 2 computation using quoted prices for similar liabilities in inactive markets as of June 30, 2017 and 2016, as applicable. The carrying amounts related to VUMC's variable rate 2016 Series Debt and other long-term debt obligations approximate their fair values as of June 30, 2017 and 2016. As of June 30, 2017, the fair values of the promissory note payable to VU and the product financing arrangement were based on a level 2 discounted cash flow approach applying a risk-adjusted spread for issuers of similar credit quality to U.S. Treasury yields for securities with comparable maturities. As of June 30, 2016, fair values of the promissory note payable to VU and the product financing arrangement approximate their carrying value.

For financial instruments measured at fair value on a recurring basis, the following tables summarize valuation hierarchy levels as of June 30, 2017 and 2016, determined by the nature of the financial instrument, and the least observable input significant to the fair value measurement:

Fair Value Measurements as of June 30, 2017				
(\$ in thousands)	Level 1	Level 2	Level 3	Total Carrying Amount
<b>Assets</b>				
Corporate bonds	\$ 60,214	\$ 58,831	\$ -	\$ 119,045
Equity mutual funds	38,637	74,067	-	112,704
Restricted cash	32,569	-	-	32,569
Beneficial interests in split-interest trusts	7,347	-	-	7,347
Hedged equity funds	4,267	10,492	-	14,759
Fixed income mutual funds	2,080	36,131	-	38,211
Certificates of deposit	-	38,657	-	38,657
Asset-backed securities	-	21,779	-	21,779
Real estate mutual funds	-	16,206	-	16,206
Commercial paper	-	11,609	-	11,609
Government bonds	-	9,097	-	9,097
Hedged debt funds	-	5,178	-	5,178
Commodities and managed futures mutual funds	-	3,820	-	3,820
Total assets reported at fair value	\$ 145,114	\$ 285,867	\$ -	\$ 430,981
<b>Liabilities</b>				
Interest rate exchange agreements	\$ -	\$ 65,203	\$ -	\$ 65,203
Total liabilities reported at fair value	\$ -	\$ 65,203	\$ -	\$ 65,203

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	Fair Value Measurements as of June 30, 2016			
(\$ in thousands)	Level 1	Level 2	Level 3	Total Carrying Amount
<b>Assets</b>				
Equity mutual funds	\$ 12,038	\$ 76,527	-	\$ 88,565
Restricted cash	22,956	-	-	22,956
Beneficial interests in split-interest trusts	6,384	-	-	6,384
Hedged equity funds	4,567	10,173	-	14,740
Fixed income mutual funds	4,926	30,451	-	35,377
Real estate mutual funds	-	13,398	-	13,398
Government bonds	9,019	-	-	9,019
Hedged debt funds	-	3,200	-	3,200
Commodities and managed futures mutual funds	-	3,305	-	3,305
Total assets reported at fair value	\$ 59,890	\$ 137,054	\$ -	\$ 196,944
<b>Liabilities</b>				
Interest rate exchange agreements	\$ -	\$ 89,536	\$ -	\$ 89,536
Total liabilities reported at fair value	\$ -	\$ 89,536	\$ -	\$ 89,536

VUMC employs derivatives, primarily interest rate exchange agreements, to help manage interest rate risks associated with variable-rate debt. In addition to the credit risk of the counterparty owing a balance, VUMC calculates the fair value of interest rate exchange agreements based on the present value sum of future net cash settlements that reflect market yields as of the measurement date.

Parties to interest rate exchange agreements are subject to risk for changes in interest rates as well as the risk of credit loss in the event of nonperformance by the counterparty. VUMC deals only with high-quality counterparties that meet rating criteria for financial stability and credit worthiness.

## 17. Retirement Plans

VUMC's full-time employees participate in a 403(b) defined contribution retirement plan administered by a third-party. For eligible employees with one year of continuous service, these plans require employer matching of employee contributions up to 5% of eligible compensation. The employee immediately vests in these contributions.

VUMC funds the obligations under these plans through monthly transfers to the respective retirement plan administrators with the corresponding expenses recognized in the year incurred. During Fiscal 2017, VUMC recognized \$56.7 million of expense in connection with these plans.

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**18. Functional Expenses**

Total operating expenses by function for Fiscal 2017 were as follows:

*(\$ in thousands)*

Healthcare services	\$ 2,974,923
Academic research and education	597,625
Administrative and other	152,558
Total operating expenses	<u>\$ 3,725,106</u>

**19. Commitments and Contingencies**

Management has policies, procedures, and a compliance overview organizational structure to enforce and monitor compliance with government statutes and regulations. VUMC's compliance with such laws and regulations is subject to future government review and interpretations, as well as regulatory actions unknown or unasserted at this time.

- **Litigation.** VUMC is a defendant in certain lawsuits alleging medical malpractice and civil action.

One such legal action was a qui tam civil action related to billing and government reimbursement for certain professional health care services provided by VUMC, which was filed in 2011. The parties agreed to settlement terms prior to June 30, 2017; VUMC has accrued an amount equal to the agreed upon settlement, which is not material to VUMC's overall financial position.

In February 2015, VUMC received a letter from the Office of Audit Services (OAS) of the Office of Inspector General (OIG) in connection with its nationwide review to determine whether, in certain cases, services were provided to certain Medicare beneficiaries in accordance with national coverage criteria. OAS has issued their final report regarding their audit which contains an overpayment amount. VUMC resolved the matter by repaying certain funds previously received prior to June 30, 2017; the repayment amount was not material to VUMC's overall financial position.

On August 16, 2016, VUMC received written notice from VU of a third-party claim which may, if determined adversely to VU, require indemnification by VUMC pursuant to the provisions of the MTSA, dated as of April 29, 2016. That third-party claim is a lawsuit (Cassell v. Vanderbilt University, et al., No. 3:16-cv-02086 (U.S.D.C. M.D. TN)) brought by current and former employees of VU which alleges claims relating to administration of the Vanderbilt University Retirement Plan and New Faculty Plan. Due to the early stage of the litigation, it is not possible to assess the likely outcome of the litigation or to estimate the amount of the indemnification obligation which VUMC might have, were the matter decided adversely to VU.

Through the operation of its compliance program, VUMC from time to time initiates the review of billing for clinical services provided by VUMC and its affiliated providers. VUMC has established a liability reserve relating to certain matters under review as of June 30, 2017, which is not material to VUMC's overall financial position.

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- **Regulations.** VUMC's compliance with regulations and laws is subject to future government reviews and interpretations, as well as regulatory actions unknown at this time. VUMC believes that the liability, if any, from such reviews will not have a significant effect on VUMC's consolidated financial position.
- **Medical Malpractice Liability Insurance.** The consolidated balance sheet includes reserves for medical malpractice, professional, and general liability coverage totaling \$71.5 million as of June 30, 2017, and \$88.0 million as of June 30, 2016. These liabilities are measured at the net present value of those cash flows using a discount rate of 2.5% at both dates and are classified as current or noncurrent based on the expected timing of cash flows. The \$16.5 million reduction in total medical malpractice self-insurance reserves from June 30, 2016 to June 30, 2017 primarily reflects a \$12.2 million change in estimate recorded during Fiscal 2017 to reflect improved claims experience observed during Fiscal 2017. Other current assets include expected recoveries from commercial insurance carriers under excess coverage arrangements totaling \$4.0 million as of June 30, 2017, and \$6.8 million as of June 30, 2016.
- **Employee Health and Workers' Compensation Insurance.** Accrued compensation and benefits included actuarially determined liabilities for employee health and workers' compensation claims totaling \$16.0 million and \$7.3 million, respectively, as of June 30, 2017, and \$19.1 million and \$7.9 million, respectively, as of June 30, 2016. During Fiscal 2017, VUMC recorded expenses totaling \$154.8 million for self-insured employee health benefit plans, net of employee premiums, and \$3.0 million for self-insured workers' compensation insurance plans.
- **Federal and State Contracts and Other Requirements.** Expenditures related to federal and state grants and contracts are subject to adjustment based upon review by the granting agencies. Amounts of expenditures that granting agencies might disallow cannot be determined at this time. These amounts affect government grants and contracts revenue as well as facilities and administrative costs recovery. VUMC would not expect these costs to influence the consolidated financial position by material amounts.
- **Health Care Services.** In Fiscal 2017, 85% of VUMC's operating revenue was generated by providing health care services, where revenue is affected by reimbursement arrangements with federal and state healthcare programs, commercial insurance, and other managed care payors. If reimbursement rates from third-party payors decrease or if contract terms become less favorable in future periods, VUMC's net operating revenues may decline. See Note 5—Patient Service Revenue, Patient Accounts Receivable, and Estimated Third-party Settlements, for further information regarding healthcare revenues and related receivables.
- **HIPAA Compliance.** Under the Health Insurance Portability and Accountability Act of 1996 (HIPAA), the federal government has authority to complete fraud and abuse investigations. HIPAA has established substantial fines and penalties for offenders. VUMC maintains policies, procedures, and organizational structures to enforce and monitor compliance with HIPAA, as well as other applicable local, state, and federal statutes and regulations.
- **Construction.** VUMC had contractual commitments under major construction and equipment contracts totaling \$109.2 million as of June 30, 2017.
- **Letter of Credit.** As a requirement of the assignment of the 100 Oaks Lease described in Note 14—Operating Leases, VUMC provided an irrevocable standby letter of credit of \$25.0 million to the landlord of the property dated June 10, 2016.

**Vanderbilt University Medical Center**  
**Notes to Consolidated Financial Statements**  
**June 30, 2017 and 2016**

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**20. Subsequent Events**

Management evaluated events after June 30, 2017, through October 19, 2017, the date on which the financial statements were available for issuance. During this period, there were no subsequent events requiring recognition in the consolidated financial statements that have not been recorded.

On July 26, 2017, VUMC issued the Series 2017A tax-exempt and Series 2017 taxable fixed-rate bonds in the aggregate amount of \$221.3 million to provide new project funding to finance the construction, expansion, and renovation of various facilities and related equipment. The Series 2017A bonds were issued by the HEFB, as VUMC's conduit, at a par amount of \$121.3 million, include an original issue premium of \$5.1 million, and have an average coupon of 4.38%. Of the \$121.3 million par amount, \$75.0 million mature in 2047, with the remainder maturing in 2048. The Series 2017 taxable bonds were issued by VUMC at a par amount of \$100.0 million, bear interest at 4.172% per annum, and mature in 2037.

On August 1, 2017, VUMC issued the Series 2017B taxable notes through the HEFB at a par amount of \$50.0 million for fully redeeming the Series 2016C taxable variable-rate revenue bonds (R-FLOATs). The Series 2017B notes were placed privately with a bank and were issued in a variable-rate mode to bear interest at a fixed spread to one-month LIBOR of 1.15%.

On August 1, 2017, VUMC restructured certain terms of its Series 2016E and F variable rates bonds which are placed privately with two banks. The credit spread on the Series 2016E bonds was reduced to 1.75% from 2.4%, while the credit spread for the Series 2016F bonds was reduced to 1.15% from 2.5%. Additionally, the mandatory tender date of the Series 2016F bonds was extended two years to July 1, 2024.

Subsequent to June 30, 2017, the previously disclosed qui tam civil action was settled for an amount not material to VUMC's overall financial position.





## Report of Independent Auditors on Supplemental Schedules

To the Board of Directors of  
Vanderbilt University Medical Center

We have audited the consolidated financial statements of Vanderbilt University Medical Center as of June 30, 2017 and for the year then ended and our report thereon appears on page one of this document. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position or results of operations of the individual companies.

*PricewaterhouseCoopers LLP*

October 19, 2017

**Vanderbilt University Medical Center**  
**Consolidating Balance Sheet**  
**June 30, 2017**

<i>(\$ in thousands)</i>	<b>Obligated Group</b>	<b>Nonobligated Entity</b>	<b>Consolidated</b>
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 520,631	\$ 226	\$ 520,857
Current investments	133,977	-	133,977
Patient accounts receivable, net	373,774	4,930	378,704
Estimated receivables under third-party programs	12,642	-	12,642
Grants and contracts receivable, net	67,249	-	67,249
Inventories	66,955	523	67,478
Other current assets	61,908	7,150	69,058
Total current assets	1,237,136	12,829	1,249,965
Noncurrent investments	94,412	-	94,412
Noncurrent investments limited as to use	202,592	-	202,592
Property, plant, and equipment, net	1,216,614	3,154	1,219,768
Other noncurrent assets	24,624	9,969	34,593
Total assets	<u>\$ 2,775,378</u>	<u>\$ 25,952</u>	<u>\$ 2,801,330</u>
<b>Liabilities and Net Assets</b>			
<b>Current</b>			
Current installments of long-term debt	\$ 5,753	\$ -	\$ 5,753
Accounts payable and other accrued expenses	261,712	10,929	272,641
Estimated payables under third-party programs	37,072	-	37,072
Accrued compensation and benefits	192,363	2,376	194,739
Current portion of deferred revenue	37,972	1,381	39,353
Current portion of medical malpractice self-insurance reserves	17,161	-	17,161
Total current liabilities	552,033	14,686	566,719
Long-term debt, net of current installments	1,288,346	-	1,288,346
Fair value of interest rate exchange agreements	65,203	-	65,203
Noncurrent portion of medical malpractice self-insurance reserves	54,373	-	54,373
Noncurrent portion of deferred revenue	10,290	404	10,694
Other noncurrent liabilities	15,093	-	15,093
Total liabilities	<u>1,985,338</u>	<u>15,090</u>	<u>2,000,428</u>
<b>Net assets</b>			
Unrestricted net assets controlled by VUMC	703,117	4,971	708,088
Unrestricted net assets related to noncontrolling interests	-	5,891	5,891
Total unrestricted net assets	703,117	10,862	713,979
Temporarily restricted net assets	69,058	-	69,058
Permanently restricted net assets	17,865	-	17,865
Total net assets	<u>790,040</u>	<u>10,862</u>	<u>800,902</u>
Total liabilities and net assets	<u>\$ 2,775,378</u>	<u>\$ 25,952</u>	<u>\$ 2,801,330</u>

**Vanderbilt University Medical Center**  
**Consolidating Balance Sheet**  
**June 30, 2016**

(\$ in thousands)	Obligated Group	Nonobligated Entity	Consolidated
<b>Assets</b>			
Current			
Cash and cash equivalents	\$ 592,977	\$ 3,529	\$ 596,506
Patient accounts receivable, net	339,386	3,855	343,241
Estimated receivables under third-party programs	9,123	-	9,123
Grants and contracts receivable, net	60,943	-	60,943
Inventories	61,330	595	61,925
Other current assets	80,721	6,299	87,020
Total current assets	1,144,480	14,278	1,158,758
Noncurrent investments limited as to use	196,944	-	196,944
Property, plant, and equipment, net	1,126,490	3,626	1,130,116
Other noncurrent assets	23,567	9,599	33,166
Total assets	\$ 2,491,481	\$ 27,503	\$ 2,518,984
<b>Liabilities and Net Assets</b>			
Current			
Current installments of long-term debt	\$ 5,000	\$ -	\$ 5,000
Accounts payable and other accrued expenses	201,189	4,845	206,034
Bank overdrafts	13,846	-	13,846
Estimated payables under third-party programs	30,990	-	30,990
Accrued compensation and benefits	197,769	2,341	200,110
Current portion of deferred revenue	37,317	1,028	38,345
Current portion of medical malpractice self-insurance reserves	20,657	-	20,657
Total current liabilities	506,768	8,214	514,982
Long-term debt, net of current installments	1,286,063	-	1,286,063
Fair value of interest rate exchange agreements	89,536	-	89,536
Noncurrent portion of medical malpractice self-insurance reserves	67,319	-	67,319
Noncurrent portion of deferred revenue	6,110	158	6,268
Other noncurrent liabilities	11,641	-	11,641
Total liabilities	1,967,437	8,372	1,975,809
Net assets			
Unrestricted net assets controlled by VUMC	490,290	13,604	503,894
Unrestricted net assets related to noncontrolling interests	-	5,527	5,527
Total unrestricted net assets	490,290	19,131	509,421
Temporarily restricted net assets	26,985	-	26,985
Permanently restricted net assets	6,769	-	6,769
Total net assets	524,044	19,131	543,175
Total liabilities and net assets	\$ 2,491,481	\$ 27,503	\$ 2,518,984

**Vanderbilt University Medical Center**  
**Consolidating Statement of Operations**  
**Year Ended June 30, 2017**

(\$ in thousands)	Obligated Group	Nonobligated Entity	Consolidated
<b>Operating revenues</b>			
Patient service revenue, net of contractual adjustments and discounts	\$ 3,368,846	\$ 75,592	\$ 3,444,438
Provision for bad debts	(105,643)	(3,476)	(109,119)
Patient service revenue, net	3,263,203	72,116	3,335,319
Academic and research revenue	416,334	4	416,338
Other operating revenue	143,458	8,453	151,911
Total operating revenues	3,822,995	80,573	3,903,568
<b>Operating expenses</b>			
Salaries, wages, and benefits	2,003,748	31,515	2,035,263
Supplies and drugs	691,697	7,503	699,200
Facilities and equipment	235,247	10,484	245,731
Services and other	574,880	30,107	604,987
Depreciation and amortization	91,005	438	91,443
Interest	48,482	-	48,482
Total operating expenses	3,645,059	80,047	3,725,106
Income from operations	177,936	526	178,462
<b>Nonoperating revenues and expenses</b>			
Income from investments	21,250	-	21,250
Gift income	9,769	1	9,770
Earnings of unconsolidated organizations	72	3,838	3,910
Unrealized gain on interest rate exchange agreements, net of cash settlements	18,845	-	18,845
Other nonoperating gains, net	(861)	-	(861)
Total nonoperating revenue and expense	49,075	3,839	52,914
Excess of revenues over expense	227,011	4,365	231,376
Excess of revenues over expense attributable to noncontrolling interests	-	(4,883)	(4,883)
Excess (deficiency) of revenues over (under) expenses attributable to VUMC	\$ 227,011	\$ (518)	\$ 226,493

**Vanderbilt University Medical Center**  
**Notes to Supplemental Financial Schedules**  
**June 30, 2017 and 2016**

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**Basis of Presentation**

As discussed in Note 12—Long-Term Debt, each of the bonds and notes comprising the 2016 Series Debt represent separate obligations under an MTI structure. All debt issued under the MTI are general obligations of the obligated group, which, for purposes of the preceding consolidating financial statements comprises VUMC and its affiliates, as described in Note 1—Description of Organization, except for VHS, which is a nonobligated entity.

The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, and the results of operations of the individual companies.

Attachment B. Contribution to the  
Orderly Development of  
Healthcare.A

Vanderbilt University  
Medical Center Contracts

## Vanderbilt University Medical Center Contracts

Byrne, Michael/DC #87/COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Chandrasekhar, Rameela/The University of North Carolina at Chapel Hill  
 Copeland, Mary/First Call Ambulance  
 Crowe, James/University of Jos Teaching Hospital/Nigeria/Lassa  
 Freiberg, Matthew/Middle Tennessee Research Institute/(MTRI)  
 Freiberg, Matthew/Trustees of Boston University  
 Hayes, Marcus/Wilson County Schools//  
 Powers, Alvin/VA/Research Services for Tennessee Valley Healthcare System  
 Raffanti, Stephen/FAMILY HEALTH CENTERS, INC./Health Resources and Services Administration  
 Raffanti, Stephen/HealthPoint Family Care, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/Memphis Health Center, Inc./Health Resources and Services Administration/  
 ResearchMatch: Suny Upstate Medical University  
 ResearchMatch: MIRA Trustees of Boston University  
 Rothman, Russell L./Patient-Centered Outcomes Research Institute/(PCORI)/CDRN-1306-04869  
 SAFETY NET CONSORTIUM OF MIDDLE TENNESSEE, LLC  
 Spires, Steven/HEALTHSOUTH Corporation/Patient Consultation  
 Wheaton, Robert/Sandia National Laboratories (SNL)  
 [CORE LAB SERVICES] Koues, Olivia/Trustees of Columbia University In The City of New York/Illumina MEGA EX genotyping  
 [LAB CORE SERVICES] Boyd, Kelli/University of Virginia/TPSR Lab  
 [Lab Core Services] Milne, Ginger/UNIVERSITY OF NORTH TEXAS/Eicosanoid Core  
 [PREFIX IF ANY] Raffanti, Stephen/I.M. Sulzbacher Center for the Homeless, Inc./Health Resources and Services Administration  
 Abou-Khalil, Bassel/Neurotech, LLC  
 Abou-Khalil, Bassel/RSC Diagnostic Services  
 Adam, Rony/ American Urogynecologic Society/(QJ-ORN)  
 Adam, Rony/American Urogynecologic Society  
 ADVANCED EYECARE LLC  
 Affiliation Agreement The University of Mississippi Medical Center  
 Affiliation Agreement/Baptist Healthcare System, Inc./KY/VHAN  
 Affiliation Agreement: Coffey, Charles/Provision Proton Center  
 Affiliation Agreement: Sumner Regional Medical Center  
 AIC KIJABE HOSPITAL/KIJABE, KENYA  
 Alliance Agreement: Meharry Medical College  
 AMBULATORY SURGERY CENTER OF COOL SPRINGS, LLC: PATIENT TRANSFER  
 AMERICAN COLLEGE OF CARDIOLOGY FOUNDATION REGISTRY (ACC-NCDR)  
 American College of Surgeons (ACS) National Surgical Quality Improvement Program (Adult Hospital)  
 American College of Surgeons (ACS) National Surgical Quality Improvement Program (Children's)  
 AMERICAN COLLEGE OF SURGEONS: SOFTWARE: TRACS  
 AMERICAN DENTAL ASSOCIATION ACCREDITATION VISIT - BUSINESS ASSOCIATE  
 AMERICAN REGISTRY OF RADIOLOGIC TECHNOLOGISTS  
 Ancillary Service Agreement: Metro Nashville General Hospital  
 Aronoff, David / WILLIAMSON COUNTY HOSPITAL DISTRICT  
 ASHBY, NATHAN / COOK INCORPORATED  
 Association of American Medical Colleges - Consulting Agreement  
 Austin Peay Social Work School - Affiliation Agreement  
 Austin, Jill /Nashville Sounds Baseball Club/VSM  
 B & L BALLOONING: COOPERATIVE AGREEMENT (SPORTS MEDICINE)  
 BAA: Dodd, Debra/University Of Alabama At Birmingham  
 BAA: Harris, Paul/Eastern Maine Medical Center  
 BAA: Levis, William/ABRET  
 BAA: LIFEFLIGHT; COMMISSION ON ACCREDITATION OF MEDICAL TRANSPORT SYSTEMS (CAMTS)  
 BAA: Lockett, Joseph/The Valley Hospital  
 BAA: Matheny, Michael/Dartmouth College  
 BAA: Matheny, Michael/University of Utah  
 BAA: Watkins, Scott /Society for Pediatric Anesthesia  
 BAA: Wellons, John/University of Utah  
 BAA:Keebler, Mary/ Intermacs Data Coordinating Center  
 Bailey, Autumnne/Child Health Patient Safety Organization  
 Bailey, Autumnne/Children's Hospital Association  
 Bailey, Autumnne/Ohio Children's Hospital Patient Safety  
 BALDWIN, SCOTT/AMERICAN COLLEGE OF CARDIOLOGY/ (PEDS)  
 Banerjee, Arna/Medical Education and Research Institute (MERI)  
 BAPTIST HEALTHCARE MADISONVILLE, INC.-PATIENT TRANSFER  
 BAPTIST HOSPITAL, NASHVILLE: PATIENT TRANSFER  
 BAPTIST HOSPITAL/SAINT THOMAS MIDTOWN HOSPITAL: PEDS PATIENT TRANSFER  
 BAPTIST HOSPITAL: BREAST CANCER STUDY  
 BAPTIST HOSPITAL: CRITICAL PATIENT TRANSFER  
 Baptist Memorial Health Care Corporation (Memphis): Affiliation Agreement  
 BAPTIST MEMORIAL HOSPITAL - HUNTINGDON: PEDS PATIENT TRANSFER  
 BAPTIST MEMORIAL HOSPITAL - UNION CITY: PEDS PATIENT TRANSFER  
 Baptist Memorial Hospital, Memphis/Pediatric Patient Transfer  
 BATON ROUGE GENERAL HOSPITAL PATHOLOGY  
 Bella Baby Photography of Ohio, LLC  
 Bellamy, Dennis/Hendersonville Soccer Club  
 Bellamy, Dennis/Overbrook School  
 BELMONT UNIVERSITY: CLINICAL PHARMACY SERVICES  
 Bennett, Kelly/Baptist Medical Health Group/Kentucky/PSA  
 Berkman, Richard/IV Contrast Admin/Premier Radiology  
 BETHANY HEALTH & REHABILITATION: PATIENT TRANSFER  
 BETHANY HEALTH CARE CENTER: MEDICAL DIRECTOR (HABERMANN)  
 BIBEAU, DEBORAH/eCARDIO DIAGNOSTICS, LLC  
 BIESEMEIER, CHRIS (CHRISTINA)/ WIC SERVICES AGREEMENT

## Vanderbilt University Medical Center Contracts

Billing Agreement - Chadha, Mohit/Non Sponsored (Travel)  
 Billing Agreement (Non-Sponsored) Bastarache, Julie/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Creech, Clarence/Vanderbilt University (Nicole Soper)  
 Billing Agreement (Non-Sponsored) Crowe Jr, James/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Crowe, James Jr./Vanderbilt University  
 Billing Agreement (Non-Sponsored) Dortch, Richard/Vanderbilt University  
 Billing Agreement (Non-Sponsored) Shryr, Yu/Vanderbilt University (TIPS Data Science Visions)  
 Billing Agreement: (Non-Sponsored) Crowe, James/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Carson, Robert/Vanderbilt University (Brittany Parker)  
 Billing Agreement: (Non-Sponsored) Courtney, Jeannine/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Johnson, Rachelle/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Malin, Bradley/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Morgan, Douglas/Vanderbilt University - TIPS  
 Billing Agreement: (Non-Sponsored) Pulley, Jill/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Pulley, Jill/Vanderbilt University  
 Billing Agreement: Chadha, Mohit/Vanderbilt University  
 Billing Agreement: Chadha, Mohit/Vanderbilt University  
 Billing Agreement: Crowe, James/Vanderbilt University  
 Billing Agreement: Emeson, Ronald/Vanderbilt University  
 Billing Agreement: Hartmann, Katherine; Vanderbilt University; Vanderbilt Faculty Research Scholars Award  
 Billing Agreement: Malow, Beth/Vanderbilt University - TIP Program  
 Billing Agreement: Newcomb,Dawn/Vanderbilt University - Jaqueline Cephus  
 Billing Agreement: Peterson, Todd/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Alvarez, Ronald/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Crowe, James Jr./Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Labadie, Robert/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Labadie, Robert/Vanderbilt University (2 of 2)  
 Billing Agreement: (Non-Sponsored) Mizell, James/Vanderbilt University (Warden)  
 Billing Agreement: (Non-Sponsored) Pietenpol, Jennifer/Vanderbilt University (Jamyne O'Neal)  
 Billing Agreement: (Non-Sponsored) Silver, Heidi/Vanderbilt University  
 Billing Agreement: (Non-Sponsored) Starr, Suzanne/Vanderbilt University  
 Billing Agreement: Alvarez, Ronald/Vanderbilt University  
 Billing Agreement: Banks, David; Vanderbilt University School of Medicine, Department of Molecular Physiology and Biophysics (MPB)  
 Billing Agreement: Banks, David; VU Police Department  
 Billing Agreement: Banks, David; VU Real Estate Office  
 Billing Agreement: Bernard, Gordon/Non-Sponsored/Vanderbilt University (Bickman)  
 Billing Agreement: Bliss, Kenton/Vanderbilt University/NSBA  
 Billing Agreement: Griffin, Marie/Vanderbilt University/Harvard Pilgrim Health Care  
 Billing Agreement: Holder, Jourdan/Vanderbilt University  
 Billing Agreement: Jarrett, Ryan/ Vanderbilt University  
 Billing Agreement: Roden, Dan; Steris Autoclave Renewal Contract  
 Billing Agreement: Roden, Dan; Vanderbilt University  
 Billing Agreement: Schlueter, David/ Vanderbilt University (CANS)  
 Billing Agreement: Stafford, Tim/Vanderbilt University  
 Billing Agreement:(Non-Sponsored) Jackson, Karen/Vanderbilt University  
 Billing Agreement:Aronoff, David/Vanderbilt University  
 Billy Hudson/Goldfinch Bio  
 BIO-MEDICAL APPLICATIONS of Kentucky INC (FORMERLY BOWLING GREEN KIDNEY CENTER): BACKUP DIALYSIS  
 BIO-MEDICAL APPLICATIONS of Kentucky INC (FORMERLY GLASGOW KIDNEY CENTER): BACKUP DIALYSIS  
 BIO-MEDICAL APPLICATIONS OF TENNESSEE: OUTPATIENT MANAGEMENT AGREEMENT  
 Bio-Medical Applications of Virginia, Inc. (Fresenius Medical Care of Abingdon Dialysis in Abingdon, VA (VA2): Kidney/Dialysis  
 BLAKEFORD AT GREEN HILLS: PATIENT TRANSFER  
 BLOUNT MEMORIAL HOSPITAL: CRITICAL CARE  
 BOLIVAR GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Bosworth, Susan / Thomas Jefferson University, Jefferson School of Nursing  
 Bosworth, Susan/ Rutgers, The State University of New Jersey/Nutrition Services  
 Bosworth, Susan/Drexel University, College of Nursing and Health Professions  
 Bosworth, Susan/Seton Hill University/  
 Brantley, Millam/Sarah Cannon Cancer Center/Tarveda Therapeutics, Inc./PEN-866-001  
 Brissova, Marcela/Louisiana State University/Pennington Biomedical Research  
 BRISTOL REGIONAL MEDICAL CENTER: BURN PATIENT TRANSFER  
 BROWN, KIMBERLY/METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY/PROFESSIONAL PSYCHOLOGICAL SERVICES  
 Buller, Gerald/URAC - Promoting Quality Health Care/Specialty Pharmacy URAC Accreditation Agreement  
 Bundled Payments for Care Improvement Model 2 Agreement: Centers for Medicare and Medicaid Services  
 Byrne, Michael /BLOOD ASSURANCE, INC.115 - 2555/COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/ DC #87/APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/BLOOD ASSURANCE, INC. 115 - 9888 /APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/NMDP NORTHCENTRAL 001 - 9888/APHERESIS CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 Byrne, Michael/NMDP NORTHCENTRAL 001 - 2255 - COLLECTION CENTER/NATIONAL MARROW DONOR PROGRAM (NMDP) PROCEDURES OF INTERACTION  
 CALDWELL COUNTY DIALYSIS: TRANSPLANT  
 CALDWELL COUNTY HOSPITAL INC: PATIENT TRANSFER  
 Call Coverage Agreement - Howell Allen Clinic, P.C.  
 CAMDEN GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Campbell, Vanda/American CAM, LLC/PSA  
 Cardiology Services Agreement: Maury Regional Medical Center (Cardiology Services)  
 CENTENNIAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 CENTRAL KENTUCKY DIALYSIS CENTERS, LLC. /DAVITA: KIDNEY TRANSPLANT AFFILIATION  
 CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY D/B/A ERLANGER HEALTH SYSTEM / OPHTHALMOLOGY SERVICES  
 CHATTANOOGA-HAMILTON COUNTY HOSPITAL AUTHORITY: PATHOLOGY LABORATORY SERVICES  
 Child Life Internship: Cross, Janet / University of Iowa  
 CHILD LIFE: BEDFORD COUNTY SCHOOLS



## Vanderbilt University Medical Center Contracts

CHILD LIFE: Belmont University (MUSIC THERAPY)  
 CHILD LIFE: BENTON COUNTY SCHOOLS  
 CHILD LIFE: CALDWELL COUNTY BOARD OF EDUCATION  
 CHILD LIFE: CANNON COUNTY SCHOOLS  
 CHILD LIFE: CHEATHAM COUNTY SCHOOLS  
 CHILD LIFE: CHEROKEE COUNTY SCHOOL DISTRICT  
 CHILD LIFE: CHRISTIAN COUNTY SCHOOLS  
 Child Life: Clarksville Montgomery County Schools  
 CHILD LIFE: CLAY COUNTY SCHOOL SYSTEM  
 Child Life: Coffee County Schools  
 CHILD LIFE: CRITTENDEN COUNTY (KENTUCKY)  
 CHILD LIFE: CUMBERLAND COUNTY  
 CHILD LIFE: DICKSON COUNTY SCHOOLS  
 CHILD LIFE: FRANKLIN COUNTY SCHOOLS  
 CHILD LIFE: FRANKLIN SPECIAL SCHOOL DISTRICT  
 CHILD LIFE: GIBSON COUNTY SPECIAL SCHOOLS  
 CHILD LIFE: GILES COUNTY SCHOOLS  
 CHILD LIFE: GRAVES COUNTY SCHOOLS  
 Child Life: Hamilton County Department of Education  
 CHILD LIFE: HARDEMAN COUNTY SCHOOLS  
 CHILD LIFE: HOUSTON COUNTY SCHOOLS  
 CHILD LIFE: HUMPHREYS COUNTY SCHOOLS  
 CHILD LIFE: JACKSON COUNTY SCHOOLS  
 CHILD LIFE: JACKSON-MADISON COUNTY SCHOOLS  
 CHILD LIFE: KINGSPORT CITY SCHOOLS  
 CHILD LIFE: LAWRENCE COUNTY SCHOOLS  
 CHILD LIFE: LEWIS COUNTY SCHOOLS  
 CHILD LIFE: Manchester City Schools  
 CHILD LIFE: MAURY COUNTY SCHOOLS  
 CHILD LIFE: McCracken County Public Schools  
 CHILD LIFE: MORGAN COUNTY SCHOOLS  
 CHILD LIFE: MURFREESBORO CITY SCHOOLS  
 CHILD LIFE: PUTNAM COUNTY SCHOOLS  
 CHILD LIFE: ROANE COUNTY SCHOOLS  
 CHILD LIFE: Sumner County Board of Education  
 Child Life: Sweetwater City Schools  
 CHILD LIFE: TULLAHOMA CITY SCHOOLS  
 CHILD LIFE: VAN BUREN COUNTY SCHOOLS  
 CHILD LIFE: WARREN COUNTY SCHOOLS  
 CHILD LIFE: WAYNE COUNTY SCHOOLS  
 CHILD LIFE: WHITE COUNTY BOARD OF EDUCATION  
 CHILD LIFE: GRAINGER COUNTY SCHOOLS  
 CHILDREN'S HOSPITAL ALLIANCE OF TENNESSEE (CHAT): LEASED EMPLOYEE SERVICES  
 CHILDREN'S HOSPITAL at ERLANGER: PEDS PATIENT TRANSFER  
 CHRISTMAS VILLAGE: HEARING AND SPEECH SCIENCES  
 Claassen, Daniel / Wave Life Sciences, Ltd.  
 CLAIBORNE COUNTY HOSPITAL/LETTER OF AGREEMENT  
 Clair, Walter/State of Tennessee/Middle Tennessee Mental Health Institute/(53860)  
 CLAY COUNTY SCHOOLS: MAMA LERE HEARING SCHOOL  
 Cobb, Cheryl/Tennessee Voices for Children, Inc  
 COFFEE COUNTY SCHOOLS: MAMA LERE HEARING SCHOOL  
 Coffee Medical Group LLC d/b/a Unity Medical Center: PEDS PATIENT TRANSFER  
 Collier, Sarah / The Broad Institute  
 Collier, Sarah/ Northwestern University  
 Collins, Sean / Wayne State University / Bristol-Myers Squibb Company  
 Collins, Theresa/Certification Commission for Healthcare Interpreters  
 Collins, Theresa/National board of Certification for Medical Interpreters  
 COMPREHENSIVE CARE CENTER(CCC):STATE OF TN  
 Consulting Agreement: Ogilvy Government Relations Consulting Agreement.  
 Cookeville Regional Medical Center (Affiliation Agreement)  
 COOKEVILLE REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 COOKEVILLE REGIONAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 COOL SPRINGS SURGERY CENTER: BUSINESS ASSOCIATE AGREEMENT  
 COOL SPRINGS SURGERY CENTER: PATHOLOGY AGREEMENT  
 Cooper, William (PARS)/Duke University Medical Center  
 Cooper, William (PARS)/RUSH UNIVERSITY MEDICAL CENTER  
 Cooper, William (PARS/BAA)/Palo Alto Medical Foundation  
 Cooper, William / (PARS) / GEISINGER SYSTEM SERVICES  
 Cooper, William / (PARS) / LOYOLA UNIVERSITY MEDICAL CENTER  
 Cooper, William / (PARS) / NORTHSORE UNIVERSITY HEALTHSYSTEM  
 Cooper, William / (PARS) / ORTHOCAROLINA  
 COOPER, WILLIAM / (PARS) / REGENTS OF THE UNIVERSITY OF CALIFORNIA  
 Cooper, William / (PARS) / SAINT LOUIS UNIVERSITY d/b/a SLUCare  
 Cooper, William / (PARS) / SANFORD  
 Cooper, William / (PARS) / ST. JOHN'S MERCY MEDICAL CENTER  
 Cooper, William / (PARS) / STANFORD UNIVERSITY HOSPITALS AND CLINICS  
 COOPER, WILLIAM / (PARS) / THE QUEENS MEDICAL CENTER (QMC)  
 Cooper, William / (PARS) / UNIVERSITY OF ILLINOIS  
 Cooper, William / (PARS) / UNIVERSITY OF NORTH CAROLINA HEALTH CARE SYSTEM  
 Cooper, William / (PARS) / UNIVERSITY OF PENNSYLVANIA as owner and operator of the UNIVERSITY OF PENNSYLVANIA HEALTH SYSTEM  
 Cooper, William / (PARS) / WAKE FOREST BAPTIST MEDICAL CENTER

## Vanderbilt University Medical Center Contracts

Cooper, William / Blue Cross Blue Shield, DUA  
 Cooper, William / Duke University Medical Center (PARS)  
 Cooper, William / University of Michigan (PARS/CORS)  
 Cooper, William/ (BAA/PARS) Edward Hospital and Linden Oaks Hospital  
 Cooper, William/ (PARS)/LUCILLE SALTER PACKARD CHILDRENS HOSPITAL: SERVICES AGREEMENT  
 Cooper, William/ (PARS)/University of Mississippi Medical Center  
 Cooper, William/(PARS)/ Charlotte Eye Ear Nose and Throat Assoc, P.A.  
 Cooper, William/(PARS)/ Johns Hopkins  
 Cooper, William/(PARS)/THE EMORY CLINIC, INC.  
 Cooper, William/Community Health Systems(PARS)  
 Cooper, William/Mercy Health/PARS  
 Cooper, William/North Mississippi Medical Center (PARS)  
 Cooper, William/NYP Cornell University/ PARS  
 Cooper, William/Renown Health/PARS - CORS  
 Cooper, William/Sanford-Bismarck (PARS)  
 Cooper, William/Suny Upstate Medical University/PARS  
 Cooper, William/The University of Rochester Medical Center/(PARS)  
 Cooper, William/University of Kentucky HealthCare/PARS  
 Cooper, William/University of Toledo College of Medicine and Life Sciences (PARS)  
 Cooper, William/Winchester Medical Center (PARS)  
 Copeland, Kate/Baby+Company/Pediatric Transport  
 Copeland, Mary/ Nashville Fire Department Emergency Medical Services  
 Copeland, Mary/First Call/First Call Ambulance Agreement/Pediatric Neonatal Transport  
 Core Lab Service: Ky Dept. of Public Health  
 CORE LAB SERVICES: Milne, Ginger/Children's Hospital Los Angeles/F2-Isoprostane research assays  
 Core Lab Services: University of Kentucky  
 CORE LAB: Sutcliffe, Cara/University of Alabama at Birmingham/Vantage - 96 GENHAT blood clot slurry samples  
 CORE LABS: Donahue, Edwin Patrick/The Broad Institute  
 Creech, Clarence/ Diatherix  
 CRITTENDEN HEALTH SYSTEMS: PATIENT TRANSFER  
 CROCKETT HOSPITAL: PEDS PATIENT TRANSFER  
 Cross, Janet/Metro Nashville Public Schools/MPBE  
 CROWE, JAMES E/VANDERBILT VACCINE CENTER AND INFANT FOUNDATION/ARGENTINA  
 Crowe, James/University of Jos Teaching Hospital/Nigeria/Measles  
 CULTURAL ENRICHMENT/ART LOAN AGREEMENT/PRIVATE COLLECTION OF JOHN MILLER  
 CULTURAL ENRICHMENT/ART LOAN AGREEMENT/PRIVATE COLLECTION PIECE/JEAN GAULD-JAEGER  
 CULTURAL ENRICHMENT: ALPERT, HERB  
 CULTURAL ENRICHMENT: BEN CALDWELL  
 CULTURAL ENRICHMENT: GRUBER, MARTIN  
 CULTURAL ENRICHMENT: MCGREW, DR. SUSAN  
 CULTURAL ENRICHMENT: PAUL AND GLORIA STERNBERG  
 Cumberland Heights:Peds Transfer Agreement  
 CUMBERLAND MEDICAL CENTER: PEDS PATIENT TRANSFER  
 CUMBERLAND PEDIATRIC FOUNDATION: LEASED EMPLOYEE SERVICES  
 CUMBERLAND RIVER HOSPITAL: PEDS PATIENT TRANSFER  
 Cupples, Amanda/South Gibson County High School/Observational  
 CURREY INGRAM ACADEMY - SPORTS MEDICINE PROGRAM  
 Das, Suman/Cargill  
 Data Transfer Agreement: Zheng, Wei/NIH/NCI (08-CN-145)  
 Data Use Agreement: Pediatric Clinical Care Consortium: University of Michigan  
 DAVITA/EAST EVANSVILLE DIALYSIS-RENAL LIFE LINK, INC.:KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/GARDENSIDE DIALYSIS-RENAL LIFE LINK, INC.:KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE INC./KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE, INC.: CLARKSVILLE NORTH DIALYSIS  
 DAVITA/TOTAL RENAL CARE, INC.: KIDNEY TRANSPLANT AFFILIATION  
 DAVITA/TOTAL RENAL CARE, INC.: LEITCHFIELD DIALYSIS  
 DAVITA: TOTAL RENAL CARE/SPARTA DIALYSIS FACILITY  
 Dayani/Survivor Fitness Foundation  
 DCI DONOR SERVICES, INC. d/b/a TENNESSEE DONOR SERVICES/TRANSPLANT CENTER AGREEMENT  
 DCI: MASTER AGREEMENT: TRANSPLANT  
 DCS - EARLY AND PERIODIC SCREENING, DIAGNOSIS AND TREATMENT (EPSDT)  
 de Riesthal, Michael/ Vanderbilt Stallworth Rehabilitation Hospital/  
 Deaconess Hospital, Inc. - Patient Transfer Agreement - Trauma Patients  
 Deaconess Hospital, Inc.; Patient Transfer Agreement - Deaconess Primary Stroke Center  
 DeBaun, Michael/University of Mississippi Medical Center  
 DECATUR COUNTY HOSPITAL: PEDS PATIENT TRANSFER  
 DIGIRAD IMAGING SOLUTIONS, INC.  
 DMOCHOWSKI, ROGER/METRO PUBLIC HEALTH DEPARTMENT (EMERGENCY PREPAREDNESS)  
 DUA\_BAA: Ehrenfeld, Jesse/MPOG/University of Michigan  
 Dunworth, Brent/Emory University/Vanderbilt University/Clinical Affiliation  
 DVA RENAL HEALTHCARE, INC./PATIENT TRANSFER AGREEMENT  
 DVA RENAL HEALTHCARE, INC.: PATIENT TRANSFER  
 DVA RENAL HEALTHCARE/KIDNEY TRANSPLANT AFFILIATION AGREEMENT  
 Dyersburg Regional Medical Center: Patient Transfer Agreement  
 DYERSBURG REGIONAL MEDICAL CENTER: PEDIATRIC PATIENT TRANSFER  
 EASLEY DIALYSIS CENTER: TRANSPLANT  
 EAST TENNESSEE CHILDREN'S HOSPITAL: PEDS PATIENT TRANSFER  
 Ebert, Jon/Chapin Hall/Univ of Chicago  
 Ebert, Jon/University of Tennessee Health Sciences Center/State of Tennessee Department of Children's Services  
 Edgeworth, Mitch/State of Tennessee Highland Rim Healthcare Coalition/Emergency Preparedness/MOA  
 Edwards, Todd/CHILDRENS HOSPITAL OF PHILADELPHIA/Medical Center Funds (Institutional)

## Vanderbilt University Medical Center Contracts

Ekstrom, Leeland / Pfizer  
Employee Lease Agreement for the CEO of Vanderbilt Stallworth Rehabilitation Hospital  
END STAGE RENAL DISEASE (ESRD): NETWORK MEMBERSHIP AGREEMENT  
Epic: APP Orchard Contributor Agreement  
ERLANGER HEALTH SYSTEM: BURN PATIENT TRANSFER  
ESA: Jerome, Walter/Vanderbilt University  
ESA: Aronoff, David/Vanderbilt University - TIPS  
ESA: Barkin, Shari/Vanderbilt University  
ESA: Blind, Raymond/Vanderbilt University  
ESA: Blume, Jeffrey/Vanderbilt University  
ESA: Brown, Clint/Vanderbilt University - COEUS Support  
ESA: Carter, Allison/Vanderbilt University  
ESA: Carter, Allison/Vanderbilt University  
ESA: Carter, Allison/Vanderbilt University (Erick Spears)  
ESA: Chadha, Mohit/Vanderbilt University  
ESA: Chen, Jin/Vanderbilt University  
ESA: Churchill, Larry/Vanderbilt University  
ESA: Clayton, Ellen/Vanderbilt University  
ESA: Courtney, Jeannine/Vanderbilt University  
ESA: Courtney, Jeannine/Vanderbilt University  
ESA: Damon, Bruce/Vanderbilt University  
ESA: de Caestecker, Mark/Vanderbilt University  
ESA: Decaestecker, Mark/Vanderbilt University  
ESA: Doherty, Stephen/Vanderbilt University (Vikram Tiwari )  
ESA: Dunbar, Jenni/Vanderbilt University - Peabody College  
ESA: Edwards, Todd/Vanderbilt University  
ESA: Emeson, Ronald/Vanderbilt University  
ESA: Farrow, Melissa/Vanderbilt University  
ESA: Gadd, Cynthia/Vanderbilt University  
ESA: Girish, Hiremath/Vanderbilt University  
ESA: Gonzales, Gilbert/Vanderbilt University  
ESA: Gonzales, Gilbert/Vanderbilt University  
ESA: Gore, John/Vanderbilt University - Anderson & Doe  
ESA: Hartmann, Katherine/Vanderbilt University  
ESA: Head, Doris/Vanderbilt University  
ESA: Holroyd, Kenneth/Vanderbilt University  
ESA: Hoover, Richard/Vanderbilt University  
ESA: Johnson, Kevin/Vanderbilt University  
ESA: Joosten, Yvonne/Vanderbilt University  
ESA: Joosten, Yvonne/Vanderbilt University - Bruce  
ESA: Joosten, Yvonne/Vanderbilt University (Velma Murry)  
ESA: Juarez, Adam/Vanderbilt University  
ESA: Levine, Edward/Vanderbilt University  
ESA: Luther, James/Vanderbilt University  
ESA: Malow, Beth/Vanderbilt University - TIPS Project  
ESA: Manning, Henry/Vanderbilt University  
ESA: Manning, Linda/Vanderbilt University  
ESA: Meador, Keith/Vanderbilt University  
ESA: Moroz, Sarah/Vanderbilt University  
ESA: Nikpay, Sayeh/Vanderbilt University  
ESA: Nikpay, Sayeh/Vanderbilt University  
ESA: Ricketts, Todd/Vanderbilt University  
ESA: Schuele, Clare/Vanderbilt University  
ESA: Shelton, Amy/Vanderbilt University  
ESA: Shyr, Yu/Vanderbilt University  
ESA: Shyr, Yu/Vanderbilt University - Shilin Zhao  
ESA: Silver, Heidi/Vanderbilt University - TIPS  
ESA: Skaar, Eric/Vanderbilt University  
ESA: Skaar, Eric/Vanderbilt University  
ESA: Smith, Seth/Vanderbilt University  
ESA: Somarajan, Suseela/Vanderbilt University  
ESA: Stainbrook, Jennifer/Vanderbilt University  
ESA: Starr, Suzanne/Vanderbilt University  
ESA: Vanderbilt University/Non- MD Faculty Teaching  
ESA: Wilkins, Consuelo/Vanderbilt University  
ESA: Williams, Christopher/Vanderbilt University  
ESA: Williamson, Edwin/Vanderbilt University  
ESA: Aiken, Christopher/ Vanderbilt University  
ESA: Aliyu, Muktar/ Vanderbilt University  
ESA: Bergner, Erin; Vanderbilt University  
ESA: Blind, Raymond/Vanderbilt University - Maria Malabanan  
ESA: Bliss, Kenton/Vanderbilt University/Allied Health Accreditation  
ESA: Courtney, Jeannie/ Vanderbilt University  
ESA: Damon, Bruce/Vanderbilt University  
ESA: Fanning, Joseph/ Vanderbilt University  
ESA: Gore, John / Vanderbilt University  
ESA: Hiremath, Girish / Vanderbilt University  
ESA: Johnson, Christopher/ Vanderbilt University  
ESA: Jordan, Lori/Vanderbilt University  
ESA: Lacy, Dana/Vanderbilt University  
ESA: Major, Amy/Vanderbilt University

## Vanderbilt University Medical Center Contracts

ESA: Milano, Eiana/Vanderbilt University  
 ESA: Stafford, Tim/Vanderbilt University  
 ESA: Vanderbilt University/Jessica Overstreet  
 ESA: Williams, Phillip / Vanderbilt University  
 ESA: Williams, Phillip/ Vanderbilt University  
 ESA:Jerome, Walter/Vanderbilt University  
 ESA:Stafford, Tim/Vanderbilt University  
 Ess,Kevin /JACKSON-MADISON COUNTY GENERAL HOSPITAL  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt :Cracker Barrel - Executive Physicals  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt: Henner Healthcare  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Bridgestone Americas  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/MIDWEST OCCUPATIONAL MEDICINE  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Nashville Electric Service  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/OnSite Wellness LLC  
 Executive and Mariner Health at Vanderbilt / Corporate Health and Wellness at Vanderbilt/Tractor Supply  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt. : Broadcast Music Inc. (Biometric Screenings)  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Broadcast Music, Inc. (Executive Health)  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Gideon's International  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/JetRight Aerospace Holdings  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/LRK, Inc.  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Rogers Group, Inc  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/Smith and Nephew  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt/UNARCORACK  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt: Bass Berry Sims  
 Executive and Mariner Health at Vanderbilt/Corporate Health and Wellness at Vanderbilt: CKE Restaurants Holdings, Inc.  
 Executive and Mariner Health at Vanderbilt: Nissan North America, Inc.  
 EXECUTIVE HEALTH RESOURCES (EHR)  
 Family Health Group, Inc.,  
 FDA/IPA: Harrell, Frank (FDA)  
 Finlayson, Alistair James Reld; JourneyPure At The River (Center) LLC  
 Fish, Frank/University of New Mexico/Pediatric Cardiology Professional Services Agreement  
 FMC of Lake Cumberland: Patient Transfer Agreement  
 FMCNA WATAUGA COUNTY/DIALYSIS TRANSPLANT AGREEMENT  
 FMC-PADUCAH, KENTUCKY (DIALYSIS)  
 Franklin Classical School: Sports Medicine  
 FRANKLIN COUNTY SCHOOL DISTRICT: MAMA LERE HEARING SCHOOL  
 FRANKLIN WOODS COMMUNITY HOSPITAL: BURN PATIENT TRANSFER  
 FREEDOM MIDDLE SCHOOL: SPORTS MEDICINE PROGRAM  
 Freeman, Michael/DRI TN/DHS National BioSurveillance Intergration Center (NBIC)  
 Freiberg, Matthew/University of Utah  
 Freiberg, Matthew/Yale University School of Medicine  
 FRESINIUS MEDICAL CARE OF HUNTSVILLE: DIALYSIS  
 FRESINIUS MEDICAL CARE OF MURRAY (PATIENT TRANSFER) DIALYSIS TRANSFER  
 FRESINIUS MEDICAL CARE: MASTER I  
 FRESINIUS MEDICAL SERVICES SOUTHEAST: DIALYSIS  
 Friedman, Elisa/Meharry Medical College  
 Friedman, Elisa/Neighborhood Resource Center/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 Friedman, Elisa/Prevent Child Abuse Tennessee/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 FT SANDERS PARKWEST MEDICAL CENTER: BURN PATIENT TRANSFER  
 FT SANDERS REGIONAL MEDICAL CENTER: CRITICAL PATIENT TRANSFER  
 Gadd,Cynthia /American Medical Informatics Association/Professional Services  
 Gallani, David/University of Leeds/Lab Services Agreement  
 GAMBRO HEALTH CARE DIALYSIS CLINICS: MASTER AGREEMENT  
 GATEWAY HEALTH SYSTEM, INC: NEONATOLOGY SERVICES & MEDICAL DIRECTOR  
 GATEWAY HEALTH SYSTEMS: ECHOCARDIOGRAM & EKG's  
 GATEWAY HEALTH SYSTEMS: PEDS PATIENT TRANSFER  
 Germain, Sean/Meharry - Hematology/Oncology - Special Circumstances Agreement  
 GET WITH THE GUIDELINES: AMERICAN HEART ASSOCIATION / AMERICAN STROKE ASSOCIATION  
 Gifford, Rene / ADVANCED BIONICS  
 GIFFORD, RENE / COCHLEAR AMERICAS  
 GME: NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: MASTER AFFILIATION AGREEMENT  
 GME: INTERFAITH CLINIC: RESIDENT DENTAL SERVICES  
 GME: NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (UROLOGY RESIDENTS)  
 GME: St Thomas Midtown: Outgoing Resident/Fellow Rotation (Multiple Specialties)  
 GME: SUMNER REGIONAL MEDICAL CENTER: OUTGOING RESIDENT/FELLOW AFFILIATION (Emergency Medicine)  
 GME: VA AFFILIATION AGREEMENT  
 GQOD SAMARITAN HEALTH AND REHAB CENTER: PATIENT TRANSFER  
 Gracey, Kathy/Chaplin Hall/Univ of Chicago  
 Gracey, Kathy/Men of Valor/The Healing Trust  
 GRACEY, KATHY/METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY (2-218740-13)/METROPOLITAN BOARD OF PUBLIC EDUCATION  
 Graham,Thomas (Brent)/East Tennessee Children's Hospital/  
 GREEN HILLS HEALTH AND REHAB CENTER: PATIENT TRANSFER  
 GREENVIEW REGIONAL HOSPITAL: PATIENT TRANSFER  
 Gregory, Luke/CHA Children's Hospital Assoc./Membership Agreement  
 Guttentag, Susan/University of Tennessee Health Science Center /State of Tennessee/Medical Director TIPQC  
 HABERMANN, RALF / GENTIVA HOSPICE: MEDICAL DIRECTOR  
 Hadjiifrangskou, Maria /Nestle Purina PetCare Global Resources, Inc  
 HAMILTON MEDICAL CENTER: PATIENT TRANSFER  
 HARBIN CLINIC: Hemodialysis and Transplant Agreement  
 HARDIN Medical Center: PEDS PATIENT TRANSFER  
 HARPETH DIALYSIS CLINIC, NATIONAL RENAL ALLIANCE, LLC

## Vanderbilt University Medical Center Contracts

HARPETH HIGH SCHOOL: VANDERBILT SPORTS MEDICINE SERVICES  
 Harris, Raymond / Davita Medical Director  
 HARTON REGIONAL MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 Hatch, Hurst; Jennie Stuart Medical Center  
 Haun, Sheri/Erlanger Health System  
 Hayes, Marcus/Nashville Christian School/Hearing Services  
 Hayes, Marcus; Franklin Special School District; Vanderbilt University Medical Center  
 HCA/TRI-STAR: LIFEFLIGHT  
 HEARING AND SPEECH SCIENCES: SUMNER COUNTY SCHOOL DISTRICT (PROFESSIONAL SERVICES)  
 HENDERSON COUNTY COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 HENDERSONVILLE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HENRY COUNTY MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HERITAGE MEDICAL CENTER: PATIENT TRANSFER  
 HERITAGE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 HERMITAGE HALL: PATIENT TRANSFER  
 Hermitage Hall: Peds Patient Transfer  
 Hickman County Schools/Metro Board of Education (NCCDFC)/Mama Lere Hearing School  
 Hickson, Gerald (PARS)/ University of Southern California/Perioperative  
 Hilleman, Jeffery/Impelsys Inc. - License Agreement  
 HILLSIDE HOSPITAL D/B/A SOUTHERN TENNESSEE REGIONAL HEALTH SYSTEM - PULASKI: PEDS PATIENT TRANSFER  
 Hood Lancaster, Lisa/Idiopathic Pulmonary Fibrosis Clinical Research Network  
 HORIZON MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Horn, Leora / Merck Sharp & Dohme Corp. (SAC/MK-3475 KN 654)  
 Horn, Leora/ Merck Sharp & Dohme Corp. subsidiary of Merck & Co. Inc.  
 Hoskins, Timothy / Prep Football America  
 HoskinsTimothy /The Spring Hill Youth Football Association/Sports Medicine  
 Hospital Authority of Nashville - Metro Nashville General Hospital/VPLS Reference Lab  
 HOSPITAL HOSPITALITY HOUSE OF NASHVILLE, INC.  
 HOUSTON COUNTY COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 Hoyt, Alice//American Academy of Pediatrics/CATCH Technical Assistance  
 Hoyt, Alice/The Rector and Visitors of the University of Virginia/American Academy of Pediatrics  
 HTI MEMORIAL HOSPITAL, INC D/B/A TRISTAR SKYLINE MEDICAL CENTER/ PEDS PATIENT TRANSFER  
 HTI MEMORIAL HOSPITAL, INC., D/B/A SKYLINE MEDICAL CENTER: BURN PATIENT TRANSFER  
 HUBBARD, MARK/LYNX MEDICAL SYSTEMS, INC/  
 HUDSON, JULIE/AMERICAN HEART ASSOCIATION (HEART WALK)  
 HUDSON, JULIE/AMERICAN HEART ASSOCIATION (HEART WALK)(RUTHERFORD CO.)  
 Hunley, Tracy/Nationwide Childrens Hospital/NephCure Kidney Foundation - CureGN  
 Hurst (Pepper) Hatch/ Erlanger Health System  
 IMG Marketing Agreement : Sports Medicine  
 ImproveCare Now  
 INGRAM BARGE COMPANY SERVICE AGREEMENT  
 Inpatient and Outpatient Hospital Services: Alive Hospice  
 IRB Choice Master Agreement/Mountain States Health Alliance  
 IRB Choice Master Agreement: Mercy Hospital Springfield  
 IRB Choice Master Agreement: Thomas Jefferson University  
 IRB Choice Master Agreement: Wake Forest  
 IRB Choice Master/St. Jude Clinic at Huntsville  
 IRB Choice Master: East Tennessee State University  
 IRBChoice Master agreement : University of California, DAVIS  
 IRBChoice Master Agreement: Louisiana State University A&M College  
 IRBChoice Master Agreement: Louisiana State University Health Sciences Center in Shreveport  
 IRBChoice Master Agreement: Marshall University  
 IRBChoice Master Agreement: Medical University of South Carolina  
 IRBChoice Master Agreement: Ohio University  
 IRBChoice Master Agreement: Oregon Health & Science University  
 IRBChoice Master Agreement: Texas A & M University  
 IRBChoice Master Agreement: The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College represented by its Pennington Biomedical Research Center  
 IRBChoice Master Agreement: The Rockefeller University  
 IRBChoice Master Agreement: Tulane University  
 IRBChoice Master Agreement: UNewMexico (Regents of the University of New Mexico for its public operation known as the Health Sciences Center)  
 IRBChoice Master Agreement: University of California San Diego  
 IRBChoice Master Agreement: University of California, San Francisco  
 IRBChoice Master Agreement: University of Cincinnati  
 IRBChoice Master Agreement: University of Illinois at Chicago  
 IRBChoice Master Agreement: University of Miami.  
 IRBChoice Master Agreement: University of Pennsylvania  
 IRBChoice Master Agreement: University of Pittsburgh  
 IRBChoice Master Agreement: University of Utah  
 IRBChoice Master Agreement: University of Washington  
 IRBChoice Master Agreement: UTHSC Houston (The University of Texas Health Science Center at Houston)  
 IRBChoice Master Agreement: West Virginia University  
 IRBChoice Master Agreement: Baylor Research Institute  
 IRBChoice Master Agreement: Duke  
 IRBChoice Master Agreement: Louisiana State University Health Sciences Center-New Orleans  
 IRBChoice Master Agreement: Medical University of South Carolina  
 IRBChoice Master Agreement: Ochsner Health System  
 IRBChoice Master Agreement: St. Clair Regional Medical Center  
 IRBChoice Master Agreement: Tufts Medical Center  
 IRBChoice Master Agreements: UT Health Science Center at San Antonio,  
 IRBChoice Master: Clinical Directors Network  
 IRBChoice Master Agreement/Stanford University

## Vanderbilt University Medical Center Contracts

IRBChoice Master Agreement: Baystate Health (Tufts affiliate)  
 IRBChoice Master Agreement: Mount Sinai (formerly IRBShare)  
 IRBChoice Master Agreement: The Children's Hospital of Philadelphia  
 IRBChoice Master Agreement: University of Kentucky  
 IRBChoice Master Agreement: University of Southern California  
 IRBChoice Master Agreement: Vanderbilt University  
 IRBChoice Master Agreement: Albert Einstein College of Medicine  
 IRBChoice Master Agreement: Augusta University  
 IRBChoice Master Agreement: Boston Children's Hospital  
 IRBChoice Master Agreement: Cincinnati Children's Hospital Medical Center  
 IRBChoice Master Agreement: Mississippi State University  
 IRBChoice Master Agreement: Montefiore Medical Center  
 IRBChoice Master Agreement: Novant Health  
 IRBChoice Master Agreement: Our Lady of the Lake Hospital, Inc.  
 IRBChoice Master Agreement: Seattle Children's Hospital  
 IRBChoice Master Agreement: St. Francis Health System, Inc.  
 IRBChoice Master Agreement: St. Jude Children's Research Hospital  
 IRBChoice Master Agreement: The Children's Mercy Hospital  
 IRBChoice Master Agreement: Tufts University  
 IRBChoice Master Agreement: University of Alabama at Birmingham  
 IRBChoice Master Agreement: University of California Berkeley  
 IRBChoice Master Agreement: University of Colorado-Denver  
 IRBChoice Master Agreement: University of Illinois at Chicago  
 IRBChoice Master Agreement: University of Louisville Research Foundation, Inc.  
 IRBChoice Master Agreement: University of Texas Southwestern Medical Center  
 IRBChoice Master Agreement: Virginia Commonwealth University  
 IRBChoice Master Agreement: Women & Infants Hospital of Rhode Island  
 IRBChoice Master Agreement: Xavier University of Louisiana  
 IRBChoice Master: Georgia Regents University  
 IRBChoice Master: Northwell Health  
 IRBshare Master Agreement: UCLA  
 IRBshare Master Agreement: University of Arkansas Medical School  
 IRBshare Master Agreement: Baystate Health Inc  
 IRBshare Master Agreement: Northshore Health Systems  
 IRBshare Master Agreement: Northwestern University  
 IRBshare Master Agreement: University of Minnesota  
 JACKSON MADISON COUNTY GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 JACKSON PURCHASE MEDICAL CENTER: PATIENT TRANSFER  
 JACKSON-MADISON CO GEN HOSP DIST: EXHIBIT II - ECHOCARDIOGRAM AND EKG INTERPRETATION  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT (Outpatient Pediatric Services)  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT (Space Use & Support Services)  
 JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT ANCILLARY SERVICES CONTRACT - Affiliation  
 Jacobs, Monica/Garretson Resolution Group, Inc./PSA  
 JACOBSON, GARY/AUDIOLOGY SERVICES: HERITAGE RETIREMENT FACILITIES  
 Jennie Stuart Medical Center/Telemedicine (Anesthesiology)  
 JENNIE STUART MEDICAL CENTER: PATIENT TRANSFER  
 Johnson, Kevin: Epic (Perioperative Management)  
 Johnson, Rachelle/The Board of Trustees of the Leland Stanford Junior University  
 JOINT COMMISSION RESOURCES: BUSINESS ASSOCIATE AGREEMENT  
 Jones, Margaret/West Tennessee Healthcare/Ophthalmology/Eye Institute/ROP  
 Jones, Pamela/Baby and Company Nashville 1 LLC  
 Joosten, Yvonne/Meharry-Vanderbilt Alliance Foundation/MVCERP  
 Joosten, Yvonne/St James Missionary Baptist Church  
 Joosten, Yvonne/Temple Church/Meharry-Vanderbilt Alliance Foundation (MVCERP)  
 JUNIOR LEAGUE OF NASHVILLE  
 KEHLER, LORI ANN/ STATE OF TENNESSEE / DEPARTMENT OF EDUCATION  
 Killian,Karon/ EduMed Partners, LLC  
 KINDRED HOSPITAL NASHVILLE: BURN PATIENT TRANSFER  
 Kirschner, Austin/Clarity Patient Safety Organization  
 Knuutila, Ronald, Women Obstetrics and Gynecology (Employee Lease Agreement)  
 Koues, Olivia/Boston University School of Medicine/Research Core  
 Koues, Olivia/University of Arizona/CORES  
 Kuhn, John / Bellevue Athletic Association, Inc.  
 Kuhn, John/A & M Services  
 KUHN, JOHN/MIDDLE TENNESSEE STATE UNIVERSITY  
 KUHN, JOHN/NASHVILLE CHRISTIAN SCHOOL - SPORTS MEDICINE PROGRAM  
 Kuhn, John/Nashville Track Club/Athletic Trainer  
 KUHN, JOHN: XCELERATE LACROSSE - EVENT MEDICAL COVERAGE  
 Kuhn, Tarah/State of Tennessee Department of Children's Services/35910-01975  
 LAUDERDALE COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 LAUGHLIN MEMORIAL HOSPITAL: PATIENT TRANSFER  
 LEBONHEUR CHILDREN'S HOSPITAL/OUTBOUND PEDS PATIENT TRANSFER  
 Lee, James/Battle Ground Academy (Impact Test Reimbursement)  
 Lee, James/Brentwood Academy/Concussion Testing (ImPACT Testing)  
 Lee, James/Brentwood High School and Middle School Girls Lacrosse/ImPACT Testing Concussion Testing  
 Lee, James/Harpeth High School (Impact Test Reimbursement)  
 Lee, James/Nashville Christian School/ImPACT Testing Agreement  
 Lee, James/Ravenwood Boys Lacrosse/Sports Medicine/Concussion Testing  
 Lee, James/University School of Nashville (ImPACT Test Reimbursement)  
 Lee, James/Williamson County Schools/Concussion Testing (ImPACT Testing)  
 Lee, James/Woodland Middle School Lacrosse/Sports Medicine/Concussion Testing

## Vanderbilt University Medical Center Contracts

Leeland Ekstrom/Genewiz, Inc. (Master Services Agreement)  
 Leeland Ekstrom/Goldfinch Blo  
 Lehmann, Christoph /American Academy of Pediatrics/6670-37355  
 Lemley, Mary/Charleston Birth Place  
 Levis, William/Specialty Care  
 LEVY, MIA / MELANOMA RESEARCH FOUNDATION  
 Levy, Mia/CancerLinQ LLC  
 Levy, Mia/GenomOncology  
 License Agreement: Vanderbilt University/Maury Regional Medical Center  
 LICENSE AGREEMENT: WESTERN PSYCHOLOGICAL SERVICES  
 LifeFlight: Hensly, Lis / CMA Music Festival  
 LIFEFLIGHT: Belmont University  
 LifeFlight: Engine Shop  
 LIFEFLIGHT: FLIGHT VECTOR COMPUTER AIDED DISPATCH SOFTWARE  
 LIFEFLIGHT: LEBANON MUNICIPAL AIRPORT (HANGAR LEASE)  
 LifeFlight: Nashville Sounds  
 LifeFlight: Thunder on the Cumberland boat race  
 LIFEFLIGHT: TULLAHOMA MUNICIPAL AIRPORT AUTHORITY, INC. LEASE  
 LINCOLN MEDICAL CENTER: PATIENT TRANSFER  
 LINCOLN REGIONAL HOSPITAL (now Lincoln Medical Center): PEDS PATIENT TRANSFER  
 Lindman, Brian / Edwards Life Sciences LLC (EARLY-TAVR biobank)  
 LIPSCOMB UNIVERSITY: CLINICAL PHARMACY SERVICES  
 LIVINGSTON REGIONAL HOSPITAL: PATIENT TRANSFER  
 LIVINGSTON REGIONAL HOSPITAL: PEDS PATIENT TRANSFER  
 Lobo,Bob /Lipscomb University/Vanderbilt Poison Center Pharmacist  
 LOGAN MEMORIAL HOSPITAL: CRITICAL CARE PATIENT TRANSFER  
 LOGAN MEMORIAL: PATIENT TRANSFER  
 LONE STAR CONSULTING SERVICES, INC/D/B/A MES PEER REVIEW SERVICES  
 LOURDES HOSPITAL: PATIENT TRANSFER  
 Loyd, Jim / University of Kentucky / DMB Indemnification  
 Luckett, Joseph/Southern Illinois University/CORES  
 Luckett, Joseph/University of Wisconsin-Madison/CORES  
 Macdonald, Robert /Laughlin Memorial Hospital  
 Macdonald, Robert /Mountain States Health Alliance  
 MacDonald, Robert/Riverview Regional Medical Center  
 MACON COUNTY GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Madan Jagasia/Novartis Pharmaceuticals Corporation (Master Services Agreement)  
 Mandato, Kathleen/Gratuitous Training Agreement with Army-Baylor Program  
 MARSHALL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 MARTIN DIALYSIS CENTER / RCG: TRANSPLANT  
 Marx, Edward/Pershing Yoakley/MSA Master  
 Master Service Agreement: Room In the Inn (RITI)  
 Master Services Agreement: Morris, John/Tennessee Health Management, Inc.  
 Master: Employee Service Agreement (ESA)-Interim Administrative Services for VUMC  
 Master: Employee Services Agreement (ESA)—Academic Services  
 MASTER: Employee Services Agreement (ESA)—Clinical Services  
 MASTER: Employee Services Agreement (ESA)-VU General Business Services  
 MASTER: Employee Services Agreement (ESA)—VUMC General Business Services  
 MASTER: IRBCHOICE Master Agreement (IMA) (formerly IRBshare)  
 MASTER: MASTER: DUKE UNIVERSITY/RAPID START/DUKE CLINICAL RESEARCH INSTITUTE (DCRI) (FEDERAL CONTRACTS)  
 MASTER: MILNE, GINGER/BIOGEN IDEC, INC.  
 Master: Poison Prevention Membership Agreement / Vanderbilt University Medical Center  
 Maury Regional Hospital D/B/A Maury Regional Medical Center (Affiliation Agreement)  
 MAURY REGIONAL HOSPITAL: EKG & ECHO  
 MAURY REGIONAL HOSPITAL: LABORATORY SERVICES AGREEMENT  
 MAURY REGIONAL HOSPITAL: PATIENT TRANSFER  
 MAURY REGIONAL HOSPITAL: PEDS PATIENT TRANSFER  
 Maury Regional Hospital: Professional Service agreement (Cardiac Diagnostics)  
 MAURY REGIONAL HOSPITAL: PROFESSIONAL SERVICES AND NURSE PRACTITIONER STAFF AGREEMENT  
 Mccarver, Catherine/Society of Cardiovascular Patient Care, Inc.  
 McCaslin, Devin/MusiCares  
 McKenna, Samuel/Nashville Predators/Dental  
 McKinney, Jared/Nashville Zoo/Medical Director  
 McMinnville Dialysis Clinic  
 McQueen, Kathryn/G4 Alliance Global Campaign  
 MEADOWS, THE: EMERGENCY PATIENT TRANSFER  
 MED ACTION PLAN: BUSINESS ASSOCIATE AGREEMENT  
 MEDICAL CENTER AT BOWLING GREEN - PATIENT TRANSFER  
 MEDICAL CENTER AT SCOTTSVILLE: PATIENT TRANSFER  
 Medical Director Agreement: Baby + Company Nashville 1 LLC  
 Medical Director Agreement: VUMC/Maury Regional Medical Center (CARDIAC & PULMONARY REHAB SERVICES)  
 Medical Director Agreement: VUMC/Maury Regional Medical Center (CARDIAC CATHETERIZATION PROGRAM)  
 Medical Director Agreement: VUMC/Williamson Medical Center  
 MEHARRY MEDICAL COLLEGE: CARDIAC SERVICES  
 Meharry Medical College: Digital Library Interface and Server Use Agreement  
 MEHARRY: MASTER CONTRACT FOR PROFESSIONAL SERVICES  
 MEHARRY-VANDERBILT MEMORANDUM OF UNDERSTANDING (MOU)  
 MEMORANDUM OF UNDERSTANDING: Murdoch University, Western Australia,  
 METHODIST HEALTHCARE LEBONHEUR CHILDREN'S MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Methodist Hospital Union County Kentucky: PATIENT TRANSFER AGREEMENT  
 METRO BOARD OF EDUCATION: MASTER AGREEMENT

## Vanderbilt University Medical Center Contracts

Metro General Contract/ Ancillary Services Agreement (For Professional Services)  
 METRO GOVERNMENT: HOSPITAL DIVERSION POLICY MOU  
 METRO NASHVILLE GENERAL HOSPITAL: BURN PATIENT TRANSFER  
 METROPOLITAN BOARD OF EDUCATION: SPORTS MEDICINE SERVICES ANNEX A  
 METROPOLITAN BOARD OF EDUCATION: SPORTS MEDICINE SERVICES ANNEX II  
 METROPOLITAN FIRE DEPT: EXPOSURE CONTROL CONSULTANT (RAFFANTI)  
 METROPOLITAN FIRE DEPT: MEDICAL CONSULTANT (SLOVIS)  
 Metropolitan Government of Nashville and Davidson County/Electric Power Board/800 MHZ SYSTEM  
 METROPOLITAN HOSPITAL AUTHORITY: FORENSIC EXAMINATION OF RAPE VICTIMS  
 Mia Levy/Tempus Labs, Inc  
 Middle Tennessee State University- Clinical Affiliation Agreement  
 Midgett, Danielle/Cookeville Regional Medical Center/Credentialing for Telemedicine  
 Midgett, Danielle/National Committee on Quality Assurance/CVO Survey  
 MILAN GENERAL HOSPITAL: PEDS PATIENT TRANSFER  
 Miller, Richard/ Westat Corporation/ University of Michigan  
 Miller, Richard/Sumner County Regional Medical Center/Co-Medical Director  
 Milne, Ginger/University Of California, San Francisco/MTA Agreement  
 Milne, Ginger/Waters Technologies Corporation  
 Milne,Ginger /Parion Sciences, Inc./Research Core  
 Mini-Master: Siemens Medical Solutions USA, Inc. (Software Support)  
 MISRA, SUMATHI / GENTIVA HOSPICE: ASSOCIATE MEDICAL DIRECTOR  
 Missouri State University: Child Life Internship  
 MNGH/MEHARRY MEDICAL COLLEGE: ALIYU, MUKTAR (Preceptor provided by VU)  
 MNGH/MEHARRY: AFFILIATION ADDENDUM (NEUROLOGY SERVICES PROVIDED BY MEHARRY)(Singh)  
 MNGH: MEHARRY AFFILIATION (NEUROLOGY SERVICES)(Services provided by Dr. Bangalore-Vittal)  
 Moon, D. Troy/Lwala Community Alliance  
 MORRISTOWN-HAMBLE HOSPITAL: PATIENT TRANSFER  
 Moses,Kelvin /Geisinger Clinic  
 MOU - Country Music Association, Inc  
 MOU: Vanderbilt University Medical Center/ACGME  
 MOU: Bachmann, Katherine/University of Kentucky  
 MOU: Long, Jirong/University of Cambridge/Breast Cancer Association Consortium (BCAC)  
 MOU: Morris Jr, John/Mid-Cumberland Human Resource Agency  
 MOU: Raffanti, Stephen/Montgomery Aids Outreach, Inc./Transforming Instructional Practice pilot program  
 MOU: Rothman, Russell L./Mid-Cumberland Human Resource Agency  
 MOU: Rothman, Russell/National Evaluation System of Health Technology Coordinating Center (NESTcc)  
 MOU: Shah, Hamid/Christopher and Dana Reeve Foundation  
 MOU: Vanderbilt/University of Nairobi, Kenya  
 MOU: Vanderbilt/University of Valencia  
 MOUNTAIN STATES HEALTH ALLIANCE/JOHNSON CITY MEDICAL CENTER/Affiliation  
 MOUNTAIN STATES HEALTH ALLIANCE: PATIENT TRANSFER  
 MSPH/Meharry Medical College: Affiliation Agreement  
 Murali Kolli/St. Thomas Heart/Integrated Cardiac Services  
 MUR-CI HOMES, INC: HABERMANN, RALF (NURSE PRACTITIONER)  
 MUR-CI HOMES, INC: MEDICAL DIRECTOR (HABERMANN)  
 MUSIC CITY CREMATORY SERVICES  
 MUTUAL AGREEMENT FOR EMERGENCY PATIENT TRANSFER  
 Mutual Collaboration Agreement: Vanderbilt University/Stratus Healthcare, LLC/Affiliation  
 NASHVILLE FC YOUTH: ATHLETIC TRAINER  
 NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (RHEUMATOLOGY FACULTY SERVICES)  
 NASHVILLE GENERAL HOSPITAL (NGHM) @ MEHARRY: AFFILIATION ADDENDUM (UROLOGY FACULTY SERVICES)  
 NASHVILLE INTERNATIONAL AIRPORT: MEDICAL CONSULTANT (SLOVIS)  
 NASHVILLE PREDATORS HEALTH CARE AGREEMENT  
 National Business Group on Health: Executive Committee on Value Purchasing  
 National HealthCare Corporation  
 National HealthCare Corporation - Master Services Agreement  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/APHERESIS CENTER PARTICIPATION AGREEMENT (ACPA)  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/COLLECTION CENTER PARTICIPATION AGREEMENT (CCPA)  
 NATIONAL MARROW DONOR PROGRAM (NMDP)/TRANSPLANT CENTER PARTICIPATION AGREEMENT(TCPA)  
 National Marrow Donor Program: Related Donor Services Agreement  
 Navitus Health Solutions: Pharmacy Management Services Agreement  
 NEONATAL UNIT/PROFESSIONAL SERVICES AGREEMENT: JACKSON-MADISON COUNTY GENERAL HOSPITAL  
 NEPD: Affiliation Agreement: University of Michigan-Flint School of Nursing  
 NEPD: Indiana State University School of Applied Medicine and Rehabilitation  
 NEPD: King University, School of Nursing  
 NEPD: PHYSICIAN ASSISTANT/Wake Forest University  
 Neuss, Michael/Chapman Medical Quality, LLC  
 NEWTON DIALYSIS CENTER/RCG: TRANSPLANT  
 Newton, Mark/Hospital Support Organization/The ELMA Foundation  
 Newton, Mark/The ELMA Foundation  
 Non Sponsored Billing Agreement: Meador, Keith  
 Non-Sponsored Billing Agreement: Creech, Clarence/Vanderbilt University - Soper  
 Non-Sponsored Billing Agreement: Dwyer, Robert/ Vanderbilt University  
 Non-Sponsored Billing Agreement: Shelton, Amy/ Vanderbilt University  
 Non-Sponsored Billing Agreement: Vanderbilt University (Nicole Soper)  
 Non-Sponsored Billing Agreement: Vanderbilt University/Emma Schremp  
 Nooner, Kevin /Air Methods Corporation ADM/LEASE  
 Nooner, Kevin/Department of the Army/DACA27-9-16-022  
 Nooner, Kevin/Music City Eats EMS Agreement  
 NORTHCREST HOSPITAL: PATIENT TRANSFER AGREEMENT  
 Northcrest Medical Center / OB/GYN services



## Vanderbilt University Medical Center Contracts

NORTHCREST MEDICAL CENTER: PEDS PATIENT TRANSFER  
 NRA MANCHESTER, TENNESSEE, DBA MANCHESTER DIALYSIS CLINIC, LLC  
 NSBA: Alvarez, Ronald /Vanderbilt University  
 NSBA:Harrison, Julla/Vanderbilt University  
 NURSES FOR NEWBORNS: BUSINESS ASSOCIATE AGREEMENT (BAA)  
 Nyman, Jeffry/DCI Donor Services Tissue Bank  
 Nyman, Jeffry/Quanta Imaging  
 Nyman, Jeffry/Sanofi US Services Inc.  
 OKULICK, JOHN: ARTWORKS  
 Oncology Care Model : Centers for Medicare and Medicaid Services  
 One Hundred Oaks Imaging, LLC: Professional Services  
 OPTION SCHOOLS: AUDITORY ORAL EDUCATION DATA REPOSITORY  
 ORAL FACIAL SURGERY CENTER: PATIENT TRANSFER  
 OUR KIDS, INC.: PROFESSIONAL SERVICES AGREEMENT (PEDIATRICS)  
 OUTBOUND PATIENT TRANSFER: BETHANY HEALTH CARE CENTER  
 OUTBOUND PATIENT TRANSFER: METROPOLITAN NASHVILLE GENERAL HOSPITAL  
 OUTBOUND PATIENT TRANSFER: TREVECCA HEALTH CARE CENTER  
 Pal, Tuya/Moffitt ICARE Assignment  
 Parker, Teresa/URAC/Accreditation Agreement  
 Parkridge West Hospital (formerly GRANDVIEW MEDICAL CENTER): PATIENT TRANSFER  
 PARS:Cooper, William / North Mississippi Medical Center  
 PATIENT AND FAMILY CENTERED CARE: METROPOLITAN NASHVILLE SCHOOLS  
 Patient Transfer Agreement: Baby + Company Nashville 1 LLC  
 Patient Transfer Agreement: Baptist healthcare System, Inc/D/B/A Baptist Health Paducah  
 Patient Transfer Agreement: Big South Fork Medical Center  
 Patient Transfer Agreement: Grayson County Hospital Foundations, Inc. d/b/a Twin Lakes Regional Medical Center  
 Patient Transfer Agreement: NHC Place Sumner  
 Patient Transfer Agreement: The Nextdoor, Inc.  
 Patient Transfer Agreement: Vanderbilt Imaging Services - One Hundred Oaks Imaging  
 Patient Transfer Agreement: Vanderbilt University Hospital/University Medical Center (Lebanon, TN)  
 PATIENT TRANSFER: TN Fertility Institute  
 Patient Transfer: Vanderebilt Gateway Cancer Center/ DBA Gateway-Vanderbilt Cancer Treatment Center: Gateway Health System  
 Patterson, Barron Lee/ American Academy of Pedlatics/  
 Patton,James A /Women Obstetrics and Gynecology  
 PCA SOUTHEAST/FERRELL, OLSON, MOORE, PEARSON, BRAMLETT, PLLC - (BOYD, ALAN, M.D.)  
 Peds Patient Transfer Agreement - Medical Center at Scottsville  
 Perinatal Affiliation: Jennle Stuart Level II NICU  
 Perrien, Daniel / InvlCRO, LLC  
 Peters, Thomas/Sebastian Hospital, LLC  
 Peters, Thomas/Tennova Healthcare Lebanon  
 Peters. Thomas/Ochsner Medical Center/VPLS  
 Pharmacy Services Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC.  
 Physician Assistant: Bosworth, Susan/ University of Tennessee Health Science Center  
 Physician Services Agreement: Ortho Surgery - Meharry Medical College  
 Physicians Regional Medical Center(Tennova Healthcare): Patient Transfer  
 PIERCE, RICHARD/HERITAGE MEDICAL ASSOCIATES, P.C.; PROFESSIONAL SERVICES AGREEMENT  
 Pletenpol, Jennifer/ VICC - Baptist Memorial Healthcare Corporation  
 Pletenpol, Jennifer/Baptist Memorial Health Care Corporation  
 PinnacleCare Consultation Services Agreement  
 Pioneer Community Hospital of Scott County: PATIENT TRANSFER AGREEMENT  
 PLANNED PARENTHOOD: PATIENT TRANSFER SPECIAL  
 POISON PREVENTION: BAPTIST MEMORIAL HEALTHCARE COPORATION  
 POISON PREVENTION: BLOUNT MEMORIAL HOSPITAL  
 POISON PREVENTION: CLAIBORNE COUNTY HOSPITAL  
 POISON PREVENTION: COOKEVILLE REGIONAL GENERAL HOSPITAL  
 POISON PREVENTION: CUMBERLAND MEDICAL CENTER  
 POISON PREVENTION: CUMBERLAND RIVER HOSPITAL  
 POISON PREVENTION: DECATUR COUNTY GENERAL HOSPITAL  
 POISON PREVENTION: Dekalb Community Hospital  
 POISON PREVENTION: DELTA MEDICAL CENTER  
 POISON PREVENTION: DENVER HEALTH AND HOSPITAL AUTHORITY  
 POISON PREVENTION: DYERSBURG REGIONAL MEDICAL CENTER  
 POISON PREVENTION: EAST TENNESSEE CHILDREN'S HOSPITAL  
 POISON PREVENTION: FORT SANDERS REGIONAL MEDICAL CENTER  
 POISON PREVENTION: GRANDVIEW MEDICAL CENTER  
 POISON PREVENTION: HAWKINS COUNTY MEMORIAL HOSPITAL  
 POISON PREVENTION: HAYWOOD PARK COMMUNITY HOSPITAL  
 POISON PREVENTION: HENRY COUNTY MEDICAL CENTER  
 POISON PREVENTION: HERITAGE MEDICAL CENTER  
 POISON PREVENTION: HOLSTON VALLEY MEDICAL CENTER  
 POISON PREVENTION: HOUSTON COUNTY COMMUNITY HOSPITAL  
 POISON PREVENTION: JACKSON-MADISON COUNTY GENERAL HOSPITAL DISTRICT  
 POISON PREVENTION: JAMESTOWN REGIONAL MEDICAL CENTER  
 POISON PREVENTION: JELLICO COMMUNITY HOSPITAL  
 POISON PREVENTION: LAKEWAY REGIONAL HOSPITAL  
 POISON PREVENTION: LAUGHLIN MEMORIAL HOSPITAL  
 POISON PREVENTION: LINCOLN MEDICAL CENTER  
 POISON PREVENTION: LIVINGSTON REGIONAL HOSPITAL  
 POISON PREVENTION: MACON COUNTY GENERAL HOSPITAL  
 POISON PREVENTION: MARSHALL MEDICAL CENTER  
 POISON PREVENTION: MAURY REGIONAL HOSPITAL

## Vanderbilt University Medical Center Contracts

POISON PREVENTION: MCNAIRY HOSPITAL  
 POISON PREVENTION: MEMORIAL HEALTHCARE SYSTEM  
 POISON PREVENTION: METHODIST FAYETTE HOSPITAL  
 POISON PREVENTION: METHODIST HEALTHCARE - MEMPHIS HOSPITALS - SOUTH CAMPUS  
 POISON PREVENTION: METHODIST LEBONHEUR HEALTHCARE  
 POISON PREVENTION: METRO NASHVILLE GENERAL HOSPITAL  
 POISON PREVENTION: MORRISTOWN-HAMBLÉN HEALTHCARE SYSTEME  
 POISON PREVENTION: MOUNTAIN STATES HEALTH ALLIANCE  
 POISON PREVENTION: NorthCrest Medical Center  
 POISON PREVENTION: PARKWEST MEDICAL CENTER  
 POISON PREVENTION: PERRY COMMUNITY HOSPITAL  
 POISON PREVENTION: RHEA MEDICAL CENTER  
 POISON PREVENTION: RIVER PARK HOSPITAL (McMINNVILLE)  
 POISON PREVENTION: RIVERVIEW REGIONAL MEDICAL CENTER  
 POISON PREVENTION: SAINT FRANCIS HOSPITAL-BARTLETT  
 POISON PREVENTION: SAINT FRANCIS HOSPITAL-MEMPHIS  
 POISON PREVENTION: Shelby County Health Care Corporation d/b/a Regional One Health and formerly d/b/a REGIONAL MEDICAL CENTER AT MEMPHIS  
 POISON PREVENTION: SOUTHERN TENNESSEE MEDICAL CENTER  
 POISON PREVENTION: Southern TN Regional Health System -Pulaski  
 POISON PREVENTION: ST. JUDE CHILDREN'S RESEARCH HOSPITAL  
 POISON PREVENTION: ST. THOMAS HOSPITAL  
 POISON PREVENTION: SUMNER REGIONAL HEALTH SYSTEMS INC  
 POISON PREVENTION: TAKOMA REGIONAL HOSPITAL  
 POISON PREVENTION: Tennova Healthcare (formerly MERCY HEALTH PARTNERS, INC. )  
 POISON PREVENTION: Tennova Healthcare- Cleveland  
 POISON PREVENTION: Tennova Healthcare Regional Jackson  
 POISON PREVENTION: Tennova Healthcare, Clarksville ( GATEWAY MEDICAL CENTER )  
 POISON PREVENTION: Tennova Volunteer Hospital  
 POISON PREVENTION: THE UNIVERSITY OF TENNESSEE MEDICAL CENTER  
 POISON PREVENTION: THREE RIVERS COMMUNITY HOSPITAL  
 POISON PREVENTION: TRISTAR HEALTH SYSTEM, INC.  
 POISON PREVENTION: TROUSDALE MEDICAL CENTER  
 POISON PREVENTION: TULLAHOMA HMA, LLC. D/B/A HARTON REGIONAL MEDICAL CENTER  
 POISON PREVENTION: UNICOI COUNTY MEMORIAL HOSPITAL  
 POISON PREVENTION: UNITED REGIONAL MEDICAL CENTER  
 POISON PREVENTION: UNIVERSITY MEDICAL CENTER  
 POISON PREVENTION: WAYNE MEDICAL CENTER  
 POISON PREVENTION: WHITE COUNTY HOSPITAL  
 POISON PREVENTION: WILLIAMSON MEDICAL CENTER  
 POISON PREVENTION: WOODS MEMORIAL HOSPITAL DISTRICT  
 POISON PREVENTION:SOUTHERN TN REGIONAL HEALTH SYSTEM - LAWRENCEBURG  
 POISON PREVENTION:State of Tennessee Department of Health/GR-12-37671-01/Bioterror  
 Posch, David/Association of American Medical Colleges  
 Posch, David/Association of American Medical Colleges/(AAMC)/(CMS)  
 Posch, David/Vanderbilt Health Affiliated Network, LLC/Analytics support  
 POST OFFICE AGREEMENT: VUMC OPERATION  
 Poulouse, Benjamin/American Hernia Society  
 POULOSE, BENJAMIN/STICHTING EUROQUOL GROUP  
 PROFESSIONAL SERVICE AGREEMENT: Special Olympics Tennessee  
 Professional Service Agreement: VUMC/Marriott International, Inc (Marriott Primary Care Clinic)  
 Professional Service Agreement: Parkridge Contract PKREH-83780 Neonatal Ophthalmology Coverage  
 Professional Services - Levis, William/Dept. of Veterans Affairs  
 Professional Services Agreement - Northcrest Medical Center (Stroke consultations via Telemedicine)  
 Professional Services Agreement - Sumner Regional Medical Center/VUMC - Stroke Neurology  
 Professional Services Agreement: Baby + Company Nashville 1 LLC  
 Professional Services Agreement: Castellanos, Emily/Meharry Medical College (Oncology)  
 Professional Services Agreement: Jones, Pamela/Cole Family Practice  
 Professional Services Agreement: King, Lloyd/David Horowitz, M.D.  
 Professional Services Agreement: Macdonald, Robert/Blount Memorial Hospital  
 Professional Services Agreement: Macdonald, Robert/Cookeville Regional Medical Center (tele-neurology consultation)  
 Professional Services Agreement: Macdonald, Robert/Livingston Regional Hospital (teleneurology consultation)  
 Professional Services Agreement: Newhouse, Paul/Birchwood Terrace Healthcare  
 Professional Services Agreement: PM&R Services/Meharry Medical College  
 Professional Services Agreement: Vanderbilt/Park Center, Inc.  
 Professional Services Agreement: VMG/Williamson Medical Center (EKG INTERPRETATION)  
 PROFESSIONAL SERVICES AGREEMENT:GEORGETOWN PUBLIC HOSPITAL CORPORATION (GUYANA, SOUTH AMERICA)  
 Professional Services Agreement:VUMC/Williamson Medical Center (stroke)  
 Professional Services: Rehm, Kris/VIP Midsouth, LLC  
 PROFESSIONAL SERVICES: Abe's Garden Consultant Agreement  
 Professional Services: Baldwin, H Scott/Cookeville Regional Medical Center Authority  
 Professional Services: Bibeau, Deborah/CardioLabs  
 Professional Services: Brock III, John/Baptist Memorial Hospital - Memphis  
 Professional Services: Freiberg, Matthew/University of Pittsburgh/  
 Professional Services: Guttentag, Susan/Sumner Regional Medical Center, LLC  
 Professional Services: Mcdonald, Brent/Berkeley Research Group, LLC  
 Professional Services: Nooner, Kevin/Ritchie Bros. Auctioneers (America), Inc./LifeFlight  
 Professional Services: Warren, Zachary/Alaska Department of Health & Social Services  
 PROFESSIONAL SERVICES:TENNESSEE WOMEN'S CARE  
 PROVIDER ENROLLMENT AGREEMENT: VANDERBILT IMAGING SERVICES LLC, DBA HILLSBORO IMAGING  
 PROVIDER ENROLLMENT AGREEMENT: WILLIAMSON IMAGING LLC  
 PROVIDER SUPPORT SERVICES: PRACTITIONER HOSPITAL DATA BANK

## Vanderbilt University Medical Center Contracts

PSA: Shah, Shailja/Meharry Medical College (Gastroenterology)  
 PSA: WILLIAMSON MEDICAL CENTER: INFECTIOUS DISEASE CONSULTATION  
 QSOURCE PROVIDER # 440039 (MOU)  
 Quality & Patient Safety:Tennessee Healthcare Education and Research Foundation Collaboration  
 Raffanti, Stephen/Central Mississippi Civic Improvement Association, Inc./Health Resources and Services Administration  
 Raffanti, Stephen/Cornea Consultants of Nashville  
 Raffanti, Stephen/Diagnostic Health Centers of Tennessee  
 Raffanti, Stephen/Gold Skin Care  
 Raffanti, Stephen/Health Care Center for the Homeless, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/Nashville Surgical Associates  
 Raffanti, Stephen/Southside Medical Center, Inc./Health Resources and Services Administration/  
 Raffanti, Stephen/VUMC One Hundred Oaks Imaging  
 Rawlings, Keith / Deborah Edmonson  
 REAL TIME NEUROMONITORING ASSOCIATES, PLLC/PROFESSIONAL SERVICES AGREEMENT  
 REGION III GIRLS SOCCER TOURNAMENT - ATHLETIC TRAINER  
 REGIONAL HOSPITAL OF JACKSON: PATIENT TRANSFER  
 Reimschisel, Tyler/State of Tennessee, Department of Health/Centers For Disease Control and Prevention (CDC)/Neurologic Birth Defects Education Services  
 RENAL CARE GROUP: MC MINNVILLE, TN / HEMODIALYSIS & TRANSPLANT AGREEMENT  
 RENAL CARE GROUP: WINCHESTER, TN / HEMODIALYSIS & TRANSPLANT AGREEMENT  
 Research Match: University of Texas at Arlington  
 ResearchMatch Agreement : Harvard  
 ResearchMatch Agreement: Group Health Research Institute/UNIVERSITY OF WASHINGTON ( Kaiser Permanente )  
 ResearchMatch Agreement: Laureate Institute for Brain Research  
 ResearchMatch Agreement: University of Miami  
 ResearchMatch Master: University of Dallas at Texas  
 ResearchMatch Master:American University  
 ResearchMatch MIRA: Byrne, Loretta / Hospital for Special Surgery  
 ResearchMatch MIRA: The Pennsylvania State University  
 ResearchMatch MIRA: University of Puerto Rico  
 ResearchMatch MIRA: Vanderbilt University  
 ResearchMatch/Ohio University  
 ResearchMatch: Advocate Health and Hospital Corporation  
 ResearchMatch: Arizona State University  
 ResearchMatch: Banner Health d/b/a Banner Alzheimer's Institute  
 ResearchMatch: Brigham and Womens Hospital Inc.  
 ResearchMatch: Byrne, Loretta/ University of Saint Louis  
 ResearchMatch: Children's Hospital Los Angeles  
 ResearchMatch: Fordham University  
 ResearchMatch: Kessler Foundation  
 ResearchMatch: La Jolla Institute for Allergy and Immunology  
 ResearchMatch: Louis Stokes Cleveland VA Medical Center  
 ResearchMatch: MASTER Institutional Registry Agreement for Academic Medical Centers, Rice University  
 ResearchMatch: MIRA Idaho State University  
 ResearchMatch: MIRA Illinois Institute of Technology  
 ResearchMatch: MIRA Kettering Medical Center  
 ResearchMatch: MIRA Mount Carmel Health System  
 ResearchMatch: Philadelphia College of Osteopathic Medicine  
 ResearchMatch: Princeton University  
 ResearchMatch: Regents of the University of California  
 ResearchMatch: Rush University Medical Center  
 ResearchMatch: Stony Brook University  
 ResearchMatch: SUNY Optometry  
 ResearchMatch: Texas Heart Institute  
 ResearchMatch: The General Hospital Corporation D/B/A Massachusetts General Hospital  
 ResearchMatch: The Medical College of Wisconsin  
 ResearchMatch: The Salk Institute  
 ResearchMatch: Touro University, California  
 ResearchMatch: University of Alabama  
 ResearchMatch: University of Buffalo  
 ResearchMatch: University of Connecticut Health  
 ResearchMatch: University of Idaho  
 ResearchMatch: University of Illinois at Chicago  
 ResearchMatch: University of Kansas Medical Center  
 ResearchMatch: University of Southern California  
 ResearchMatch: WellSpan Health  
 Reverse VA/IPA: Reeves, Ruth M. (VUMC Grant Awarded to Matheny)  
 Reverse VA/IPA: Gobel, Glenn T. (Vanderbilt Medical Center Grant—Matheny)  
 RICHARDS, WILLIAM/ACS BARIATRIC SURGERY CENTER PARTICIPATION AGREEMENT  
 RICKETT, TODD/ASISU TECHNOLOGIES  
 RIVER PARK HOSPITAL: PATIENT TRANSFER AGREEMENT  
 RIVERVIEW REGIONAL MEDICAL CENTER: PEDS PATIENT TRANSFER  
 ROANE MEDICAL CENTER: PATIENT TRANSFER  
 ROSATO FRANK/ AMBULATORY CENTER OF COOL SPRINGS  
 Rothman, Russell/Baptist Clinical Research Institute, Inc./CMS331461  
 Rothman,Russell L. /University Of North Carolina At Chapel Hill/CDRN-1306-04869)  
 RUFFING, LEE ANN/SOUTHEASTERN REGIONAL PEDIATRIC DISASTER SURGE RESPONSE NETWORK  
 Russ, Stephan/National Park Service/EMS Agreement/SER-NATR  
 SAFE KIDS CUMBERLAND VALLEY: LEAD INSTITUTION AGREEMENT WITH SAFE KIDS USA  
 SAINT THOMAS HICKMAN HOSPITAL: PEDS PATIENT TRANSFER  
 SAINT THOMAS MIDTOWN HOSPITAL: PATIENT TRANSFER (TRANSPLANT) NEONATES & PEDS  
 Saint Thomas River Park Hospital: PEDS PATIENT TRANSFER(formerly River Park Hospital)

## Vanderbilt University Medical Center Contracts

### SALEM NURSING HOME: PATIENT TRANSFER

Sandberg, Warren/Tennessee Fertility Associates Anesthesia (PSA)  
 Savona, Michael / Bio-Reference Laboratories, Inc. / Astex Pharmaceuticals  
 Schaffner, William/Metropolitan Government and Nashville Davidson County  
 Scholer, Seth / State of TN DCS / Prevent Child Abuse Tennessee  
 Schwartz, David/Takeda Global Research & Development Center, Inc. (Consulting Agreement)  
 Seegmiller, Adam/AABB Center for Patient Safety/AABB Hemovigilance Module  
 Select Specialty Hospital: Patient Transfer Agreement  
 SELLARS FUNERAL HOME  
 Service Agreement: Nooner, Kevin/Live Nation Worldwide  
 Services Agreement: VUMC (Dermatology)/PCA Southeast of Columbia, Inc.  
 Services Agreement: West Meade Place, LLP  
 Session, Donna/Vivere Health Tennessee Holding/PSA  
 Shoemaker, Ashley /Jaeb Center for Health Research/  
 SHU, XIAO-OU/SHANGHAI CHANGNING DISTRICT HEALTH BUREAU/SHANGHAI CANCER INSTITUTE  
 SHU, XIAO-OU/SHANGHAI INSTITUTE OF PREVENTIVE MEDICINE  
 Signature Consulting Services: PATIENT TRANSFER AGREEMENT  
 Sika, Mohammed/ Merck Sharp & Dohme Corp.  
 SKYRIDGE MEDICAL CENTER (now Tennova Healthcare - Cleveland): PATIENT TRANSFER  
 SMART IRB Exchange Agreement: NYC School of Medicine  
 Smart IRB Exchange Portal Access Agreement: Medical University of South Carolina  
 Smart IRB Exchange Portal Access Agreement: Vanderbilt University Medical Center  
 Smart IRB Exchange: Baylor College of Medicine  
 SMART IRB Exchange: Duke University Health Systems  
 Smart IRB Exchange: Johns Hopkins University  
 SMART IRB Exchange: Regents of University of Michigan  
 Smart IRB Exchange: Tufts Medical Center, Inc.  
 SMART IRB Exchange: UCHHealth  
 Smart IRB: The Rockefeller University  
 Smart IRB: University of Arkansas System  
 Smart IRB: Wake Forest University Health Sciences  
 Smith County Schools: Mama Lere Hearing School  
 Smith, Barbara/Progress, Inc. (Employee Lease Agreement)  
 Smith, Melissa/American College of Surgeons National Trauma Data Bank (ACS NTDB)  
 Smith, Seth/Mereo Biopharma Group plc/Scanning Services Agreement  
 SOCIETY OF THORACIC SURGEONS: Congenital Heart Surgery Database  
 Soslow, Jonathan/Myocardial Solutions, Inc./Myostrain)  
 SOUTHERN HILLS MEDICAL CENTER: PEDS PATIENT TRANSFER  
 SOUTHERN TENNESSEE MEDICAL CENTER: PATIENT TRANSFER  
 SPINDLER, KURT/ALLTRAX TIMING  
 Splres, Steven/HEALTHSOUTH Corporation/Anti-Microbial Stewardship Consulting  
 Sports Medicine/Tennessee Secondary School Athletic Association  
 Sports Medicine: Lenoir-Rhyne University  
 Sports Medicine: St. Cecilia Academy  
 Sports Medicine: Walter, Kim/No Excuse Lacrosse  
 SPORTS MEDICINE:Nashville Pro-Am Basketball League  
 ST THOMAS STONES RIVER HOSPITAL: PEDS PATIENT TRANSFER  
 ST. MARY'S MEDICAL CENTER: BURN PATIENT TRANSFER  
 ST. MARY'S MEDICAL CENTER: PEDS PATIENT TRANSFER  
 ST. THOMAS CAMPUS SURGICARE, L.P.  
 St. Thomas DeKalb Hospital: PEDS PATIENT TRANSFER  
 ST. THOMAS HOSPITAL: PEDS PATIENT TRANSFER  
 St. Thomas of Rutherford County: PATIENT TRANSFER  
 ST. THOMAS SURGICARE: PEDS PATIENT TRANSFER  
 St. Thomas West Hospital: PATIENT TRANSFER  
 ST. THOMAS: BURN PATIENT TRANSFER AGREEMENT  
 STARR REGIONAL MEDICAL CENTER (formerly ATHENS REGIONAL MEDICAL CENTER): PATIENT TRANSFER  
 STATE OF TN: Gracey, Kathy/Men of Valor/State of Tennessee  
 STATE OF TN: Guttentag, Susan/State of Tennessee, Department of Health/Medical Director TIPQC  
 STATE OF TN: Juarez, Adam/Vanderbilt University/Tennessee Department of Education/33136-00516  
 STATE OF TN: McMillan, Elise/State of Tennessee, Department of Mental Health and Developmental Disabilities/Community Supports  
 Steaban, Robin /Society of Thoracic Surgeons (STS)and American College of Cardiology Foundation  
 Stead, William/Cox HMS, Inc./Master Collaboration Agreement  
 Stephan Raffanti/ Health Resources and Services Administration  
 Stephan Raffanti/ Health Resources and Services Administration  
 Stephen Raffanti/ Broward Community and Family Health Center, Inc.  
 Stephen Raffanti/ Health Resources and Services Administration  
 Stephen Raffanti/ Southeast Alabama Rural Health Associates  
 Stephens, Arnie/Healthy Communities Institute  
 STERILIZATION SERVICE: VANDERBILT COOL SPRINGS / COOL SPRINGS SURGERY CENTER  
 Sterling, Timothy; The Aurum Institute; KNCV Tuberculosis Foundation  
 STONECREST MEDICAL CENTER: PEDIATRIC PATIENT TRANSFER  
 Stover, James/Population Bio, Inc (NashBio)  
 Sullivan, Jaron/Sumner Regional Medical Center  
 SUMMIT MEDICAL CENTER: PATIENT TRANSFER  
 SUMMIT MEDICAL CENTER: PEDS PATIENT TRANSFER  
 SUMNER DIALYSIS CENTER: TRANSPLANT  
 SUMNER REGIONAL DIALYSIS CENTER: MEDICAL DIRECTOR  
 SUMNER REGIONAL HEALTH SYSTEMS: PEDS PATIENT TRANSFER  
 Swygert, Kristin Archer/Neuropoint Alliance, Inc. (N2QOD)  
 T.J. SAMSON HOSPITAL: PATIENT TRANSFER

## Vanderbilt University Medical Center Contracts

TAKOMA REGIONAL HOSPITAL: PATIENT TRANSFER  
 TEIS: STATE OF TN /VANDERBILT  
 Tennessee Department of Health: Elastography Testing  
 TENNESSEE DISABILITY COALITION  
 TENNESSEE DONOR SERVICE: ORGAN DONOR  
 TENNESSEE HOSPITAL EDUCATION AND RESEARCH FOUNDATION;THA; TCPS INFECTION COLLABORATIVE  
 TENNESSEE KIDNEY CENTER OF HIGHWAY 58: DIALYSIS  
 TENNESSEE POISON CENTER: HARDIN MEDICAL CENTER  
 TENNESSEE POISON CENTER: MCKENZIE REGIONAL HOSPITAL  
 Tennessee Technological University/Internship In Child Life  
 TENNOVA HEALTHCARE - HARTON (Formerly HARTON REGIONAL MEDICAL CENTER): PEDS PATIENT TRANSFER  
 Tharpe, Anne/State of Tennessee/Dept. of Health (34347-51716)  
 THE BRENTWOOD BLAZE/ SPORTS MEDICINE PROGRAM  
 THE CHILDREN'S CLINIC, P.C. EKG (GRAHAM)  
 THE MEDICAL CENTER: PATIENT TRANSFER  
 THE METROPOLITAN GOVERNMENT OF NASHVILLE & DAVIDSON COUNTY BOARD OF PUBLIC EDUCATION: H & S/Mama Lere Hearing School  
 THE MITRE CORPORATION/LIMITED USE LICENSE AGREEMENT  
 The University of Tennessee Medical Center, Knoxville, Tennessee/Pediatric Patient Transfer  
 Thompson, Ivana/Planned Parenthood/PSA  
 Thompson, Reid; Veterans Affairs (VA) Tennessee Valley Healthcare System  
 Thomsen, Isaac/SUNY Update Medical University Hospital, Downtown Campus  
 THREE RIVERS HOSPITAL: PEDS PATIENT TRANSFER  
 TN VALLEY DIALYSIS CENTER, LLC/KIDNEY TRANSPLANT AFFILIATION AGREEMENT  
 TN/DCS: GRACEY, KATHY / CHILD & ADOLESCENT NEEDS AND STRENGTHS  
 TN/DCS: WOODLAND HILLS PSYCHIATRY INDIVIDUAL& GROUP THERAPY  
 TN/E: CDC - TRIAD DOE AUTISM CONTRACT GR-02-14366 (JUAREZ)  
 TN/F&A: BUREAU OF TENNCARE - NURSING HOME (RAY)  
 TN/F&A: BUREAU OF TENNCARE - PERINATAL NEWBORN & OB/GYN  
 TN/H: CENTERS FOR DISEASE CONTROL AND PREVENTION - CHEMPACK  
 TN/H: GENETICS  
 TN/H: HEMOPHILIA GR-02-14109  
 TN/H: POISON PREVENTION: TENNESSEE POISON CENTER - (SEGER)(ARRA 2009)  
 TN/HS DIVISION OF REHABILITATION: VOCATIONAL REHABILITATION SERVICES  
 TN/HS- Patient and Family Engagement/Progress, Inc./DIDD  
 TN/HS: Patient and Family Engagement - Career Training & Employment Program - MOU  
 TN/MHSAS: FORENSIC & JUVENILE COURT SERVICE  
 TN/MHSAS: TENNESSEE INTEGRATED COURT SCREENING AND REFERRAL PROJECT  
 TN/MR: CLOVER BOTTOM - NEUROLOGY (CHARLES)  
 TOTAL RENAL CARE D/B/A GREER KIDNEY CENTER: TRANSPLANT  
 TOTAL RENAL CARE D/B/A UPSTATE DIALYSIS CENTER INC: TRANSPLANT  
 TRANS UNION: TRACE, RETRACT, AND IDSEARCH  
 Transfer Agreement: Hatch, Hurst/Baptist Memorial Healthcare Corporation  
 Transfer Agreement: Hatch, Hurst/Sumner Regional Medical Center  
 TREVECCA HEALTH CARE CENTER: OUTPATIENT DIALYSIS  
 TREVECCA HEALTH CARE CENTER: PATIENT TRANSFER AGREEMENT  
 TREVECCA HEALTHCARE CENTER: MEDICAL DIRECTOR  
 TRIAD: Juarez,Adam /Tennessee Department of Education/Family Education and Consultation Services, West TN  
 TRIAD: TEIS Direct Family Education Services  
 TRIGG COUNTY HOSPITAL: PATIENT TRANSFER  
 TriStar Horizon Medical Center: Patient Transfer Agreement  
 TriStar StoneCrest Medical Center: Patient Transfer Agreement  
 Tristar: Hendersonville Medical Center Patient Transfer Agreement  
 TROUSDALE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 UNION CITY DIALYSIS CENTER / RCG: TRANSPLANT  
 UNITED NEIGHBORHOOD HEALTH SERVICES / PROFESSIONAL SERVICES AGREEMENT  
 UNITED REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 UNIVERSITY MEDICAL CENTER - LEBANON: PEDS PATIENT TRANSFER  
 UNIVERSITY OF KENTUCKY / CHANDLER MEDICAL CENTER: PATIENT TRANSFER  
 UNIVERSITY OF TENNESSEE - MEMPHIS: STUDENT HEALTH SERVICES/PHARMACY STUDENT ROTATION  
 UNIVERSITY OF TENNESSEE MEDICAL CENTER AT KNOXVILLE: PATIENT TRANSFER  
 UNIVERSITY SCHOOL OF NASHVILLE: SPORTS MEDICINE SERVICES  
 Unni, Purnima/Maury Regional Hospital  
 UROLOGY SURGERY CENTER, LP: PATIENT TRANSFER  
 US AIR FORCE: Endourology Fellowship Program  
 UT MEDICAL CENTER AT KNOXVILLE: BURN PATIENT TRANSFER  
 VA IPA: BULUS, NADA  
 VA IPA: Lapierre, Lynne  
 VA/DAC,WALLACE, JEANNE  
 VA/IPA SCHNELLE, JOHN  
 VA/IPA: Chen, Chiu-Lan  
 VA/IPA: Hunn, Justin  
 VA/IPA: Moliseev, Daniel  
 VA/IPA: Adams, Katherine  
 VA/IPA: Afzal, Aqeela  
 VA/IPA: ALLAMAN, MARGARET  
 VA/IPA: AMIE STEPHENS  
 VA/IPA: Anders, Shilo  
 VA/IPA: Asim, Mohammad  
 VA/IPA: Austin, Paula  
 VA/IPA: Ayers, Dan  
 VA/IPA: BARRY, DANIEL

# Vanderbilt University Medical Center Contracts

VA/IPA: Beck, Cole  
 VA/IPA: Beckerman, Thomas  
 VA/IPA: Beebe, Russell  
 VA/IPA: Beebe, Russell  
 VA/IPA: Booker-Mambungu, Cindy  
 VA/IPA: BORZA, CORINA  
 VA/IPA: Bruner-Tran, Kaylon  
 VA/IPA: Buford, Meagan  
 VA/IPA: Burns, William  
 VA/IPA: Byerly, Susan  
 VA/IPA: Byerly, Susan  
 VA/IPA: CAI, YING  
 VA/IPA: Cao, Alze  
 VA/IPA: Carboneau, Bethany  
 VA/IPA: Chen, Chlu-Lan  
 VA/IPA: Chol, Eunyoung  
 VA/IPA: Clagett, Adrienne  
 VA/IPA: DAI, CHUNHUA  
 VA/IPA: Davidoff, Olena  
 VA/IPA: Davls, Sarah  
 VA/IPA: Davison, Coda  
 VA/IPA: Denton, Jason  
 VA/IPA: Deppen Stephen  
 VA/IPA: Ding, Tianbing  
 VA/IPA: Dixon, Beverly  
 VA/IPA: Du, Lipling  
 VA/IPA: Dunn, Jennifer  
 VA/IPA: Dupont, William  
 VA/IPA: Edwards, Todd  
 VA/IPA: Ellas, Bertha  
 VA/IPA: Ellis, Charles  
 VA/IPA: FitzHenry, Fern  
 VA/IPA: Fox, Andrew  
 VA/IPA: Gardner, Hannah  
 VA/IPA: Goldstein, Anna  
 VA/IPA: Goleniewska, Allina  
 VA/IPA: GREEVY, ROBERT  
 VA/IPA: Greevy, Robert  
 VA/IPA: Gujar, Karuna  
 VA/IPA: Hackstadt, Amber  
 VA/IPA: Hanchrow, Elizabeth  
 VA/IPA: Hanchrow, Elizabeth  
 VA/IPA: Harrison, Fiona  
 VA/IPA: Hassan, Yuliya  
 VA/IPA: Hewa, Kushan  
 VA/IPA: Hoeksema, Megan  
 VA/IPA: Horvat, Andela  
 VA/IPA: Hu, Bo  
 VA/IPA: HWANG, YOONHA  
 VA/IPA: Jlang, Chun  
 VA/IPA: Keating, Cody  
 VA/IPA: Kling, McKenzie  
 VA/IPA: Kobayaski, Hanako  
 VA/IPA: Kozunda  
 VA/IPA: Kroh, Heather  
 VA/IPA: Kumar, Amrendra  
 VA/IPA: LOH, JOHN  
 VA/IPA: Longmire, Stephanie  
 VA/IPA: Luo, Wentian  
 VA/IPA: Merkel, Alyssa  
 VA/IPA: Minter, Freneka  
 VA/IPA: Pasek, Raymond  
 VA/IPA: Perkins, Amy  
 VA/IPA: Perkins, Amy  
 VA/IPA: Poffenberger, Greg  
 VA/IPA: Polosukhin, Vasilii  
 VA/IPA: Polosukhina, Dina  
 VA/IPA: Porler, Paula R.  
 VA/IPA: Radhika, Aramandla  
 VA/IPA: Reale, Carrie  
 VA/IPA: Saraswati, Sarika  
 VA/IPA: Schofield, Bobble  
 VA/IPA: Schofield, Bobble  
 VA/IPA: Sheedlo, Michael  
 VA/IPA: Sherrill, Taylor P.  
 VA/IPA: Shi, Qiong  
 VA/IPA: Simmons, Megan  
 VA/IPA: Slagle, Jason  
 VA/IPA: Slagle, Jason M  
 VA/IPA: Solus, Joseph  
 VA/IPA: SONG, WENQIANG

## Vanderbilt University Medical Center Contracts

VA/IPA: SU, YAN  
 VA/IPA: Taylor Chase  
 VA/IPA: Torstenson, Eric  
 VA/IPA: Veach, Ruth Ann  
 VA/IPA: Velez-Edwards, Digna  
 VA/IPA: Vincz, Andrew  
 VA/IPA: Vincz, Andrew  
 VA/IPA: Welch, Richard  
 VA/IPA: Welch, Richard  
 VA/IPA: Westerman, Dax  
 VA/IPA: Westerman, DAX  
 VA/IPA: Wharton, Jennifer  
 VA/IPA: Whitfield, Victoria  
 VA/IPA: William, Felisha  
 VA/IPA: Williams, Pamela  
 VA/IPA: Wilson, Otis  
 VA/IPA: Wilson, Otis  
 VA/IPA: Wyatt, Dayna  
 VA/IPA: Wylezinski, Lukasz  
 VA/IPA: Yasmin, Sharla  
 VA/IPA: Zhang, Jian  
 VA/IPA: ZHOU, WEISONG  
 VA/IPA: Zhu, Lin  
 VA/IPA: Zou, Jing  
 VA/IPA: Zou, Yong  
 VA/IPA: Zuo, Zhao  
 VA/IPA: Zuo, Zhao  
 VA/Research Services for Tennessee Valley Healthcare System  
 VA: Angio-Interventional Radiology  
 VA: AUTOPSY SERVICES AGREEMENT  
 VA: BONE MARROW TRANSPLANT  
 VA: Bone Marrow Transplant Lab Services  
 VA: CARDIOPULMONARY PERFUSIONIST  
 VA: EXCHANGE OF USE / REFERENCE LABORATORY TESTING SERVICES  
 VA: HEART TRANSPLANT SERVICES  
 VA: IPA  
 VA: IPA/BREYER, JOAN PETRO  
 VA: IPA/MCCLAIN, MARK S.  
 VA: IPA: Brissova, Marcella  
 VA: LIVER TRANSPLANT  
 VA: NEUROSURGICAL SERVICES  
 VA: OAWA PROTOCOL REVIEW CONTRACT  
 VA: PHOTOPHERESIS  
 VA:IPA/WANG, SUWAN  
 VA:TENNESSEE VALLEY HEALTHCARE SYSTEM/MEMORANDUM OF UNDERSTANDING  
 Vaezi, Michael / CDx Diagnostics, Inc.  
 VAN BUREN COUNTY SCHOOLS/THIRD PARTY AGREEMENT/Mama Lere Hearing School  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS / DELEK US HOLDINGS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : DOLLAR GENERAL CORPORATION  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : ENERGY DEVELOPMENTS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : HEALTH & FITNESS CONCEPTS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : METRO NASHVILLE AIRPORT AUTHORITY  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : RYMAN HOSPITALITY PROPERTIES  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : STAR MANUFACTURING  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : SUMITOMO ELECTRIC WIRING SYSTEMS  
 Vanderbilt Dayani Center, Health and Wellness : Universal Lighting Technologies  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS : WHIRLPOOL  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS :DEACONESS HOSPITAL, D.B.A. DEACONESS LIFEQUEST WELLNESS  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS :LifeWay  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS/SOUTHWESTERN COMMUNICATION INC.  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: A. O. SMITH CORPORATION  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: INGRAM BARGE COMPANY  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: Mon Valley Occupational Health  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: NEAL & HARWELL PLC  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS: The General Council on Finance and Administration of the United Methodist Church, Inc.  
 VANDERBILT DAYANI CENTER, HEALTH AND WELLNESS:CORPORATE HEALTH PARTNERS INC  
 Vanderbilt Department of Anesthesiology: SAMBA Clinical Outcomes Registry Agreement  
 VANDERBILT DIALYSIS CLINIC/VUSM  
 VANDERBILT HEALTH PLUS: NURSES FOR NEWBORNS OF TENNESSEE  
 Vanderbilt Imaging Services, L.L.C., dba Vanderbilt Imaging Belle Meade  
 VANDERBILT IMAGING SERVICES, LLC D/B/A/ HILLSBORO IMAGING: PATIENT TRANSFER  
 Vanderbilt Imaging Services, LLC dba Belle Meade Imaging - Professional Services Agreement  
 VANDERBILT IMAGING SERVICES, LLC. DBA HILLSBORO IMAGING  
 Vanderbilt On-site Clinics Ageement: Metro government of Nashville and Davidson County  
 VANDERBILT STALLWORTH REHABILITATION HOSPITAL: PATIENT TRANSFER  
 Vanderbilt University: Child Life Internship  
 VBWC: WILLIAMSON COUNTY SCHOOLS  
 Vermund, Sten/University of Eduardo Mondlane  
 VGCC: PHYSICIAN SVCS  
 VHS: Information Services Agreement: New Light Imaging, LLC  
 VHS: Medical Director Agreement: Walgreens Infusion and Respiratory Services, LLC

## Vanderbilt University Medical Center Contracts

VHS: Amended and Restated Operating Agreement: One Hundred Oaks Imaging, LLC  
 VHS: Limited Partnership Agreement: Vanderbilt Stallworth Rehabilitation Hospital, L.P.  
 VHS: Management Agreement between: Option Care Enterprises, Inc. and Walgreens Infusion and Respiratory Services, LLC  
 VHS: Management Agreement: Ambulatory Surgery Center of Cool Springs  
 VHS: Management Agreement: Vanderbilt Stallworth Rehabilitation Hospital, L.P.  
 VHS: Management Agreement: Vanderbilt-Gateway Cancer Center  
 VHS: Management Service Agreement: Spring Hill Imaging Center, LLC  
 VHS: Management Services Agreement: One Hundred Oaks Imaging/New Light Imaging  
 VHS: Management Services Agreement: One Hundred Oaks Imaging/New Light Imaging  
 VHS: Management Services Agreement: Vanderbilt - Maury Radiation Oncology, LLC  
 VHS: Management Services Agreement: Vanderbilt Health Affiliated Network, LLC  
 VHS: Management Services Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC  
 VHS: Management Services Agreement: Vanderbilt Services Agreement/New Light Imaging  
 VHS: Management Services Agreement: VIP Midsouth, LLC  
 VHS: Management Services Agreement: Williamson Imaging, LLC/New Light Imaging, LLC  
 VHS: Management Services Agreement: Vanderbilt Imaging Services LLC  
 VHS: Operating Agreement: Ambulatory Surgery Center of Cool Springs, LLC  
 VHS: Operating Agreement: New Light Imaging, LLC  
 VHS: Operating Agreement: Spring Hill Imaging Center, LLC.  
 VHS: Operating Agreement: Vanderbilt Health Affiliated Network, LLC  
 VHS: Operating Agreement: Vanderbilt Health and Williamson Medical Center Clinics and Services, LLC  
 VHS: Operating Agreement: Vanderbilt Imaging Services, LLC  
 VHS: Operating Agreement: Vanderbilt-Maury Radiation Oncology, LLC  
 VHS: Operating Agreement: VIP Midsouth, LLC  
 VHS: Operating Agreement: Walgreens Infusion and Respiratory Services, LLC  
 VHS: Operating Agreement: Williamson Imaging, LLC  
 VHS: Partnership Agreement: Vanderbilt-Gateway Cancer Center  
 VHS: Vanderbilt Health Services  
 VICC: Johnson, Douglas (MEL 1486) / Qualtek Molecular Laboratories / Merck Research Laboratories  
 VICC: Jagasia, Madan (BMT 1651)/Adaptive Biotechnologies Corporation/Janssen Pharmaceuticals, Inc.  
 VICC: NEPD: Horn, Leora /Biocept, Inc./National Comprehensive Cancer Network Foundation/Boehringer-Ingelheim Pharmaceutical  
 VICC: Onclive Strategic Alliance  
 VICC: THO1595-Horn, Leora/Bristol-Myers Squibb Company  
 VICCA: WILLIAMSON MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 Vickers, Kasey/University of Cincinnati/RNA sequencing Services  
 VICTR:Joosten,Yvonne /Workers' Dignity Project  
 VMG: EMDEON CORPORATION  
 VMG: KIWI-TEK  
 VOE /University Heights Academy, Observational Experience  
 VOE/Donoho School/Observational Experience  
 VOE/E.B. Wilson Virtual High School (Sumner Count School District)/Observational Experience  
 VOE/Franklin Christian Academy/Observational Experience  
 VOE/Helena High School/Observational Experience  
 VOE/Holland Hall School/Observational Experience  
 VOE/HomeLife Academy/Observational Experience  
 VOE/Lebanon High School, Observational Experience  
 VOLUNTEER COMMUNITY HOSPITAL: PEDS PATIENT TRANSFER  
 VPLS Lab Services - Peters, Thomas/Lake Cumberland Regional Hospital  
 VPLS Lab Services/Cumberland Medical Center  
 VPLS Lab Services/Jackson-Madison County Hospital District  
 VPLS Lab Services: Coliseum Medical Centers  
 VPLS Lab Services: Peters, Thomas/Mountain States Health Alliance  
 VPLS Lab Services: Peters, Thomas/Tennova Healthcare Clarksville  
 VPLS Lab Services: Sumner Regional Medical Center  
 VPLS Lab Services:Centennial Surgery Center  
 VSRH: Neuropsychology Services  
 VSRH: Patient Information Access  
 VSRH: Residency Affiliation - Psychiatry  
 VSRH: Residency Affiliation - Psychosomatic Medicine  
 VSRH: AGREEMENT FOR AUTOPSY SERVICES  
 VSRH: ANCILLARY SERVICES AGREEMENT FOR PATHOLOGY DIAGNOSTIC AND THERAPY SERVICES  
 VSRH: ANCILLARY SERVICES AGREEMENT FOR RADIOLOGY AND RADIOLOGICAL SERVICES  
 VSRH: Ancillary Services Agreement for Radiology Staffing  
 VSRH: Dialysis Services Program Director Agreement  
 VSRH: LINEN/LAUNDRY SERVICE  
 VSRH: Medical Director Agreement/Physical Medicine and Rehabilitation  
 VSRH: Otolaryngology and Communication Services  
 VSRH: PARKING AGREEMENT  
 VSRH: PHARMACY  
 VSRH: Post-Acute Care Agreement  
 VSRH: Program Director Agreement - Brain Injury program  
 VSRH: Spinal Cord Program Director Agreement - PHYSICAL MEDICINE AND REHAB  
 VSRH: STALLWORTH GLOBAL BUSINESS ASSOCIATE AGREEMENT  
 VSRH: Stroke Program Director Agreement - PM & R  
 VSRH: VANDERBILT HEMODIALYSIS CLINIC  
 VUH: Q-SOURCE  
 VUMC: Aviation Properties LLC  
 VUMC: CLARKSVILLE-MONTGOMERY COUNTY REGIONAL AIRPORT (CAMP, LLC)  
 VUMC: ENABLECOMP  
 VUMC: NATIONAL DISASTER MEDICAL SYSTEM  
 VUSN ESA November 2016 and beyond



## Vanderbilt University Medical Center Contracts

Wallace, Michael/TM Thunder, LLC  
 Wallace, Michael/Vanderbilt Stallworth Rehabilitation Hospital, LP/Patient Transfer Agreement  
 Walter, Kim/Adrenaline Lacrosse/Sports Medicine  
 Walter, Kim/Football University, LLC.  
 Walter, Kim/Inter Nashville FC/Trainer Services  
 Walter, Kim/Lacrosse America  
 Walter, Kim/Lead Academy/Sports Medicine  
 Walter, Kim/Nashville Predators/Ice Hockey School AT  
 Walter, Kim/Nolensville Recreation Center, Inc. Nolensville Football  
 Walter, Kim/Tennessee Soccer Club  
 Walter, Kim; Vanderbilt Sports Medicine; Vanderbilt Recreation Center  
 Walters, Kim/The Franklin Cowboys  
 Wang, Thomas /Boston University  
 Wang, Thomas/University of Minnesota  
 Warren, Melissa/Trevecca Health Care Center  
 Warren, Zachary/State of Tennessee/Department of Children's Services  
 WAYNE COUNTY SCHOOL SYSTEM/THIRD PARTY SERVICE AGREEMENT/Mama Lere Hearing School  
 WAYNE MEDICAL CENTER: PEDS PATIENT TRANSFER  
 Webber, Steven/Williamson County Medical Center  
 Webber, Steven/Williamson Medical Center  
 Weller, Kevin/ Research Core/StemSynergy Therapeutics, Inc  
 WELLMONT BRISTOL REGIONAL MEDICAL CENTER: PATIENT TRANSFER  
 WELLMONT HEALTH SYSTEM WHICH OPERATES HOLSTON VALLEY MED CTR  
 WEST MEADE PLACE: PATIENT TRANSFER  
 West Tennessee Healthcare: PATIENT TRANSFER AGREEMENT  
 Wester, C. William/Chemonics International, Inc/ Teaming Agreement  
 Wester, William/Chemonics International, Inc.  
 Wiesner, Georgia/ Colon Cancer Alliance  
 Wilkins, Consuelo/Meharry Medical College  
 Williams, Christopher / Nashville In Harmony  
 Williams, Christopher/CAT Financial/Annual Meeting  
 Williams, Christopher/Langford Rental/Fit Life Productions, LLC  
 Williams, Christopher/TN Bodybuilders Competition - Langford Rental  
 WILLIAMS, PHILLIP/ETHICON ENDO-SURGERY, INC SERVICE AGREEMENT  
 Williamson Co. Medical Center (Pediatric EKG/ECHO Interpretations)  
 Williamson County Dialysis Center, Davita: Medical Director  
 WILLIAMSON COUNTY MEDICAL CENTER: PATIENT TRANSFER AGREEMENT  
 WILLIAMSON COUNTY PUBLIC SCHOOLS: ATHLETIC TRAINER  
 WILLIAMSON IMAGING D/B/A COOL SPRINGS IMAGING (CSI)  
 WILLIAMSON IMAGING, LLC D/B/A/ COOL SPRINGS IMAGING: PATIENT TRANSFER  
 Wilson County School System/Sports Medicine  
 WINDSOR HOUSE: OUTPATIENT DIALYSIS  
 Wolever, Ruth/International Consortium for Health and Wellness Coaching/National Board of Medical Examiners/HWC approval process  
 Woods, Walter/Intercon Associates Inc  
 Yenamandra, Aswani/Chattanooga-Hamilton County Hospital Authority/Medical Director Coverage-Cytogenetics Laboratory  
 Zavala, Edward/Kidney Center of Missionary Ridge  
 ZAVALA,EDWARD/ALLIANCE FOR PAIRED DONATION COOPERATIVE AGREEMENT  
 ZAVALA,EDWARD/ALLIANCE FOR PAIRED DONATION INC.; MOU and BAA  
 Zheng, Wei/Duke University/Shanghai Women's Health Study Letter Agreement  
 Zheng, Wei/University of Cambridge

Attachment B. Contribution to the  
Orderly Development of  
Healthcare.D.1

Licensure & Accreditation

# Board for Licensing Health Care Facilities



State of Tennessee

## DEPARTMENT OF HEALTH

0000000027

No. of Beds 1051

*This is to certify, that a license is hereby granted by the State Department of Health to*

*to conduct and maintain a*

VANDERBILT UNIVERSITY MEDICAL CENTER

Hospital

VANDERBILT UNIVERSITY MEDICAL CENTER

Located at

1211 MEDICAL CENTER DRIVE, NASHVILLE

County of

DAVIDSON

, Tennessee.

*This license shall expire* APRIL 29, 2019, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

*In Witness Whereof, we have hereunto set our hand and seal of the State this* 16TH *day of* MARCH, 2018.

*In the Distinct Category(ies) of:*

GENERAL HOSPITAL  
PEDIATRIC CPKC HOSPITAL  
TRAUMA CENTER LEVEL 1



By

*James J. Davis, MPH*

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

*Mark J. Dyer*

COMMISSIONER

# Vanderbilt University

Nashville, TN

has been Accredited by



## The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the  
Hospital Accreditation Program

July 25, 2015

Accreditation is customarily valid for up to 36 months.

Rebecca J. Patchin, MD  
Chair, Board of Commissioners

ID #7892

Print/Reprint Date: 10/02/2015

Mark R. Chassin, MD, FACP, MPP, MPH  
President

The Joint Commission is an independent, not-for-profit national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at [www.jointcommission.org](http://www.jointcommission.org).



Attachment B. Contribution to the  
Orderly Development of  
Healthcare.D.2

Licensure Certification &  
Plan of Correction

**Vanderbilt University**

Organization ID: 7892

1161 22nd Avenue Nashville, TN 37232-2101

Accreditation Activity - 45-day Evidence of Standards Compliance Form

Due Date: 9/13/2015

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HAP     Standard EC.02.03.01     The hospital manages fire risks.

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Findings:     EP 1 §482.41(b) - (A-0709) - §482.41(b) Standard: Life Safety from Fire The hospital must ensure that the life safety from fire requirements are met. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH above ceiling there was an open junction box adjacent to room 11001. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the cylinder storage / manifold room had non-flammable gases stored in a quantity greater than 3000 cubic feet. The electric light switch located inside the room was less than five feet above the finished floor level. Corrected on site.

Elements of Performance:

1. The hospital minimizes the potential for harm from fire, smoke, and other products of combustion.

Scoring Category:             C

Corrective Action Taken:

WHO: Assistant Vice Chancellor, Facilities and Construction

WHAT:

OPEN JUNCTION BOX - The issue with the open junction box adjacent to room 11001 was corrected when the surveyor was on site. COMPRESSED GAS STORAGE – 1. The electrical switch in VUH cylinder

storage room B306 was corrected when the surveyor was on site. 2. The following language has been added to the organizational policy (SA 10-10.09) regarding storage, use, and management of compressed gas: "Indoor rooms used for storage of greater than 3,000 cubic feet of compressed gas: iii. are built such that electrical devices are physically protected, either by use of a protective barrier around the electrical devices, or by location of the electrical device that prevents physical damage to the cylinder or containers. For example, the device is located at or above 5 feet above finished floor or other location that does not allow the possibility of the cylinders or containers to come into contact with the electrical device." VUMC Safety policy, SA 10-10.09, was reviewed and approved by the VUMC Safety Committee and the Executive Policy Committee.

**WHEN:**

The open junction box adjacent to Room 11001 was corrected on 7/24/2015 when the surveyor was on site. All additional areas with recent above ceiling work were checked for open junction boxes and deficiencies were corrected by 8/21/2015. The electrical switch in VUH cylinder storage room, B306, was corrected on 7/23/2015. All electric light switches in additional compressed gas storage stored in a quantity greater than 3000 cubic feet deficiencies were corrected by 8/21/2015. VUMC Safety Policy SA 10-10.09 was approved on 9/4/2015.

**HOW:**

**OPEN JUNCTION BOX** – All additional areas with recent above ceiling work were checked for open junction boxes and deficiencies were corrected. Random checks are performed by Plant Services Carpentry Shop, at least monthly, throughout the facility to verify above ceiling work close out inspections are being performed properly. These checks include verification that all junction boxes are closed. When deficiencies are noted, a root cause investigation is performed to determine corrective actions to prevent further reoccurrences. **COMPRESSED GAS** - All additional electric light switches in compressed gas storage stored in a quantity greater than 3000 cubic feet were surveyed and all deficiencies were corrected. Representatives from Vanderbilt Environmental Health and Safety (VEHS) conduct monthly environment of care rounds throughout the organization to include these storage areas. Reviews of these storage areas include the required parameters of signage, security, electrical safety, and cleanliness. Results are reported to the Safety Committee. When deficiencies are noted, a root cause investigation is performed to determine corrective actions to prevent further reoccurrences.

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HAP      Standard EC.02.04.03      The hospital inspects, tests, and maintains medical equipment.

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**Findings:** EP 2 §482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed on the CCT10 Unit, a transport Defibrillator with a time displayed at 0941 hours that was behind/incorrect by 1 hour. Defibrillator time was corrected during the survey. Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During a tour of the Cardiac Catheterization lab, the time on a transport defibrillator was off by one hour. Subsequent to the surveyor visit, all defibrillators were checked by staff to ensure times coincided with the official time utilized in the area.

**Elements of Performance:**

2. The hospital inspects, tests, and maintains all high-risk equipment. These activities are documented. (See also EC.02.04.01, EPs 3 and 4; PC.02.01.11, EP 2) Note: High-risk medical equipment includes life-support equipment.

**Scoring Category:** A

**Corrective Action Taken:**

**WHO:** Director, Clinical Engineering

**WHAT:**

The date and time on the transport defibrillators in the CCT10 unit and Cardiac Catheterization lab were corrected during the survey. Clinical Engineering has revised the Preventive Maintenance (PM) frequency in the Computer Maintenance Management System (CMMS) on all defibrillators to coincide with Daylight Saving Time start/end. This will occur in March and November each year. The Resuscitation Committee approved the addition of date/time checks on the clinical staff's daily defibrillator checklist for the crash carts. The desk phone is used as the official time. If the time or date is found to be incorrect a call will be placed to Clinical Engineering.

**WHEN:**

The date and time on the Transport defibrillators in the CCT10 unit and Cardiac Catheterization lab were corrected on 7/23/2015. All other defibrillators were checked and if incorrect were corrected on 7/31/2015. The update to the CMMS was completed by 8/31/2015. Defibrillator checklist for the crash carts was updated 8/18/2015.



#### HOW:

Defibrillators throughout the organization were checked for the correct date and time and deficiencies were corrected upon discovery. Per Vanderbilt Medical Equipment Management Plan, Clinical Engineering documents in the CMMS all service associated with high risk equipment (including life support). Preventive Maintenance is part of the documentation. All high risk equipment under the Medical Equipment Management Plan are required to have a Preventive Maintenance completion rate of 100% within the month of the work order issuance (March/November for Defibrillators). Preventive Maintenance completion rates are reported through the Environment of Care (EOC) committee. During EOC rounds the surveyor checks the daily checklist for correct date/time on defibrillators in the department being surveyed. A call is placed to Clinical Engineering for immediate correction on any defibrillator found to have an incorrect date/time.

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HAP      Standard EC.02.05.01      The hospital manages risks associated with its utility systems.

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Findings:      EP 15 §482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control This Condition is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site for the Hospital deemed service. During a tracer of the sterile processing department, the decontamination room had a positive pressure and the clean room had a negative pressure. This was corrected during survey and confirmed by the surveyor.

#### Elements of Performance:

15. In areas designed to control airborne contaminants (such as biological agents, gases, fumes, dust), the ventilation system provides appropriate pressure relationships, air-exchange rates, and filtration efficiencies. (See also EC.02.06.01, EP 13) Note: Areas designed for control of airborne contaminants include spaces such as operating rooms, special procedure rooms, delivery rooms for patients diagnosed with or suspected of having airborne communicable diseases (for example, pulmonary or laryngeal tuberculosis), patients in 'protective environment' rooms (for example, those receiving bone marrow transplants), laboratories, pharmacies, and sterile supply rooms. For further information, see Guidelines for Design and Construction of Health Care Facilities, 2010 edition, administered by the Facility Guidelines Institute and published by the American Society for Healthcare Engineering (ASHE).

Scoring Category: A

Corrective Action Taken:

WHO: Assistant Vice Chancellor, Facilities and Construction

WHAT:

During Vanderbilt's 2015 triennial survey, the sterilization/decontamination areas at One Hundred Oaks had deficient pressurization when evaluated by one of the surveyors. The root cause of the problem was a failure of the variable speed frequency drive unit for the exhaust fan serving this area. The issue was corrected during the survey by replacement of the computer driver card.

WHEN:

This issue was discovered during survey on 7/21/2015 and the computer driver card was replaced on 7/22/2015. Operational status alarm features were enabled on 8/19/2015.

HOW:

To ensure prompt response in addressing future ventilation events, throughout the One Hundred Oaks facility, operational status alarm features were enabled for this fan and for any other fans serving areas where pressure relationships are required to be maintained. These features were enabled on 8/19/2015. If the operational status alarm goes off in the Delta Center for the fan in the decontamination room and the clean room at One Hundred Oaks (OHO), a call will be made to the Manager of Quality Control for Sterile Processing. At that point, operations at the OHO location will cease until appropriate pressures are restored. Weekly pressure checks are performed and logged by a member of the Heat/Air/Refrigeration (HAR) Shop to verify required pressure is maintained. Responsible HAR staff use smoke generation equipment to check the applicable areas for correct pressurization. If problems are encountered, staff convey the information to the applicable site manager, initiate a 'trouble call' and complete a 'Non-Compliant Pressure Room Report'. The trouble call is submitted to Plant Services for evaluation and repair.

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HAP

Standard IC.02.02.01

The hospital reduces the risk of infections associated with medical equipment, devices, and supplies.

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Findings: EP 2 §482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Reviewed, in the Ultrasound/Radiology Department, the cleaning process for transvaginal probes with Cidex OPA. During an interview with two staff members, discussed the quality control process to test newly opened Cidex OPA test strips. Both staff indicated that they tested a newly opened bottle by testing one strip in full-strength solution. The manufacturer's recommendation is to test 3 + and 3 – control strips with a full concentration and diluted concentration of Cidex OPA solution. Staff were re-trained, signage to guide staff was posted and auditing began during survey. Organization is currently in compliance. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During a tracer in the PCICU & PICU the staff stated that soiled instruments including surgical trays were sent to Central Sterile Processing in biohazard bags on a cart. Soiled items were not kept moist in transport containers with a moist towel or sprayed with an enzymatic foam as recommended by the AAMI Standards in regards to the transportation of soiled instruments. This was confirmed by the Unit Manager. EP 4 §482.51 - (A-0940) - §482.51 Condition of Participation: Condition of Participation: Surgical Services This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During tracer activity in the GI Endoscopy Lab a specialty scope was noted to be stored in a cabinet of insufficient height to allow the scope to hang freely in a vertical position without touching the bottom of the cabinet. Staff had looped the scope in such a manner to prevent the scope from touching the bottom of the cabinet. Best practice in AAMI standards require that scopes not be looped while in storage. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During tracer activity in the VCH Endoscopy Suite an adult endoscopy scope was noted to be stored in a cabinet of insufficient height to allow the scope to hang freely in a vertical position without touching the bottom of the cabinet. Staff had looped the scope in such a manner to prevent the scope from touching the bottom of the cabinet. Best practice and AAMI standards require that scopes not be looped while in storage. This was corrected and verified during the survey. Observed in Individual Tracer at Vanderbilt University Medical Center (1301 Medical Center Drive, Nashville, TN) site for the Hospital deemed service. During tracer activity in the VUH endoscopy disinfection processing area of the OR, an endoscope was noted to be stored in such a manner to allow the tubing to touch the bottom of the cabinet. Best practice and AAMI standards require that scopes hang freely in a vertical position without touching the bottom of the cabinet. This was immediately corrected and verified during the survey. Observed in Individual Tracer at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. During a tracer activity in the Cardiac Intervention unit, TEE probes were hanging in a storage cabinet. The probes, which had been cleaned to a high level of disinfection, were touching the sides of the cabinet in several places. Observed in Building

Tour at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. During a tour of the ENT clinic, several scopes were high level disinfected. The scopes were hanging in a cabinet. Each scope was suspended in plastic tubes. Several of the scopes were touching the inside of the tubes which were not cleaned between use.

Elements of Performance:

2. The hospital implements infection prevention and control activities when doing the following: Performing intermediate and high-level disinfection and sterilization of medical equipment, devices, and supplies. \* (See also EC.02.04.03, EP 4) Note: Sterilization is used for items such as implants and surgical instruments. High-level disinfection may also be used if sterilization is not possible, as is the case with flexible endoscopes. Footnote \*: For further information regarding performing intermediate and high-level disinfection of medical equipment, devices, and supplies, refer to the website of the Centers for Disease Control and Prevention (CDC) at [http://www.cdc.gov/hicpac/Disinfection\\_Sterilization/acknowledg.html](http://www.cdc.gov/hicpac/Disinfection_Sterilization/acknowledg.html) (Sterilization and Disinfection in Healthcare Settings).

Scoring Category: A

Corrective Action Taken:

WHO: Director of Infection Prevention

WHAT:

Ultrasound/Radiology Department: The Testing and Use of Cidex OPA® 0.55% Orthophthalaldehyde High-Level Disinfectant IC 10-10.08 policy was developed by the Director of Infection Control and Prevention. The policy was endorsed by the Infection Control and Prevention Executive Committee, the Clinical Practice Committee and the Medical Center Medical Board. The Quality control procedure for Cidex OPA is addressed in the policy in the following manner: "3. Testing Procedure Following the directions for use on the bottle of test strips: a. Submerge three test strips in each of the above freshly prepared solutions for three seconds each. b. Remove. c. The three test strips dipped into the full-strength positive control should exhibit a complete color change on the indicator pad at 90 seconds for ortho-phthalaldehyde(Cidex OPA®). The three strips dipped into the diluted negative control either should remain unchanged or exhibit an incomplete color change when read at 90 seconds, depending on the product. Refer to the color chart on the test strip bottle. Record results on the log. d. Testing frequency: Do the QC test on each freshly opened bottle of test strips. e. Unsatisfactory QC Test Results: If the QC test indicates that the test strips are not functioning properly, stop using the test strips, and open another bottle of test strips (repeat QC test.)" Non-compliant staff was re-educated on the day of the survey. Re-educated staff in the Ultrasound/Radiology Department who are using Cidex

OPA regarding the Cidex OPA Test Strip testing in the Cidex OPA policy by electronic communication. PCICU & PICU: The Standard Operating Procedure for pre-cleaning soiled devices and instruments was developed and endorsed by Infection Control. Enzyme spray was added to carts and utility rooms in both areas. The pre-cleaning of soiled devices and instruments using enzymatic cleaner is addressed in the SOP in the following manner: "II. General Information: A. The pre-cleaning of soiled devices or instruments should begin in the point of use to prevent drying of blood, soil and debris on the surface, crevices, and within lumens. B. Enzymes enhance detergent cleaning for medical use by breaking down proteins and other substances found in blood and other gross soil that cannot be easily removed with solutions containing just detergents, surfactants, and water. D. Use enzymatic spray, gel, or solution according to manufacturing recommendations." Staff sending devices and instruments to Central Sterile Processing were educated to the pre-cleaning devices and instruments standard operating procedure by electronic communication.

**WHEN:**

Ultrasound/Radiology Department: The Testing and Use of Cidex OPA® 0.55% Orthophthalaldehyde High-Level Disinfectant IC 10-10.08 policy was approved and effective since August 2012. Re-education was sent via electronic communication on 8/31/2015. PCICU & PICU: Enzyme spray was added to the areas on the day of the survey. The Standard Operating Procedure for pre-cleaning soiled devices and instruments was developed and endorsed by Infection Control on 8/28/2015. Re-education for both areas was sent via electronic communication on 8/31/2015.

**HOW:**

Ultrasound/Radiology Department: Random observation by managers in Ultrasound/Radiology areas using Cidex OPA for compliance to policy. Non-compliance will be addressed by leadership. PCICU & PICU: Random observation by managers in PCICU & PICU areas that perform pre-cleaning of soiled instruments and devices for compliance of standard operating procedure. Non-compliance will be addressed by leadership. Central Sterile Processing will monitor the pre-cleaning of devices or instruments that are reprocessed in Central Sterile Processing. Non-compliance will be addressed by the non-compliant area's leadership.

4. The hospital implements infection prevention and control activities when doing the following: Storing medical equipment, devices, and supplies.

Scoring Category: C

Corrective Action Taken:

WHO: Director of Infection Prevention

**WHAT:**

The Device Reprocessing IC 10-10.27 online policy was developed by a multidisciplinary task force led by the hospital epidemiologist. The purpose of the task force was to ensure a standardized institution-wide program for reprocessing endoscopes (through either sterilization or high-level disinfection [HLD], as indicated) as well as HLD of other devices (e.g. vaginal ultrasound probes, transesophageal echocardiogram probes) in accordance with recommended guidelines and national standards. The procedure for storing scopes and reprocessed devices is addressed in the policy in the following manner: "B. Device Storage 1. Flexible channeled endoscopes are stored in a vertical position in clean cabinets that provide protection from contamination and damage. Labels indicating reprocessing date are placed on each flexible endoscope device. 2. Other reprocessed devices are stored in a clean environment to prevent re-contamination." Re-educated staff in all areas that store scopes to the Device Reprocessing Policy section B. 1&2 through electronic communication by Infection Control.

**WHEN:**

The Device Reprocessing IC 10-10.27 policy was approved and effective July 2014. Re-education to Device Reprocessing policy section B.1&2 was sent via electronic communication on 8/31/2015.

**HOW:**

Infection Preventionists and Quality Consultants will perform monthly observations of all scopes storage areas to assess ongoing compliance. Any non-compliance observed will be addressed at the time of discovery with the area personnel.

Evaluation Method: Measure compliance to Device Reprocessing policy in all scope storage areas each month for 4 consecutive months. Numerator = # of scopes areas with appropriately stored scopes. Denominator = Total number of scopes areas observed. Compliance will be reported monthly to the Infection Prevention Regulatory Committee.

Measure of Success Goal (%): 90

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HAP Standard LS.02.01.20 The hospital maintains the integrity of the means of egress.

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Findings: EP 8 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance

with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

[http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the path to the public way was obstructed by sand bags located within ten feet of the MRI emergency exit.

Corrected on site. EP 13 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:

[http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The exit corridor in the basement of the Children's Hospital at stair five is cluttered with numerous items of stored medical equipment. The storage has reduced the width of the corridor to less than eight feet. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The exit corridor in the basement of the Children's Hospital at stair five is cluttered with numerous items of stored equipment and other miscellaneous items. The storage has reduced the width of the corridor to less than eight feet. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH at the ten north trauma unit there were two linen storage carts stored in the corridor that reduced the corridor width to less than eight feet. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VUH at the cath lab the south corridor (5300G) width was reduced to less than eight feet due to the storage of four cabinets. Corrected on site. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the corridors in the emergency department were reduced to less than eight feet width due to the storage of

stretchers that were not in use.

Elements of Performance:

8. Exits discharge to the outside at grade level or through an approved exit passageway that is continuous and terminates at a public way or at an exterior exit discharge. (For full text and any exceptions, refer to NFPA 101-2000: 7.2.6 and 7.7)

Scoring Category: A

Corrective Action Taken:

WHO: Assistant Director, Vanderbilt Environmental Health and Safety (VEHS)

WHAT:

1. The sand bags located within the public way were removed during the on-site survey. 2. Plant Services management reviewed flood mitigation procedures with their staff, particularly post event clean-up including use of sand bags.

WHEN:

The sandbags were removed to correct this deficiency during the on-site survey on 7/23/2015. Plant Services staff reviewed flood mitigation procedures on 8/3/2015.

HOW:

Members of the EOC Survey Team will perform monthly environment of care rounds throughout the organization including external exits to assess on-going compliance. When there is any emergency incident that does or could alter external exits, one of the post-event follow-up activities will include an assessment of the external exits by VEHS/Plant Services. The post-event assessment is performed by the VEHS team and is part of the EOC process. Any problems are immediately reported to Vanderbilt Environmental Health and Safety and / or Plant Services by submitting a work order is submitted to Plant Services for removal of sandbags or other items impeding egress.

13. Exits, exit accesses, and exit discharges are clear of obstructions or impediments to the public way, such as clutter (for example, equipment, carts, furniture), construction material, and snow and ice. (For full text and any exceptions, refer to NFPA 101-2000: 7.1.10.1)



Scoring Category: C

Corrective Action Taken:

WHO: Assistant Director, Vanderbilt Environmental Health and Safety (VEHS)

WHAT:

A. Individual findings were addressed during the Joint Commission Survey. 1. Medical equipment was removed from the exit corridor basement of Children's Hospital at stair five; 2. Medical equipment and miscellaneous stored items were removed from the exit corridor basement of Children's Hospital at stair five; 3. Linen carts were removed from the 10 N Trauma unit in VUH; 4. The cabinets were removed from the south corridor (5300G) of the VUH Cath Lab; 5. Excess stretchers were removed from VUH Emergency Department corridor. B. Review of policy/departamental responsibilities for Support Services: VUMC policy SA 50-10.02, Equipment and Materials in VUMC Corridors was reviewed via conference call by the Assistant Director of VEHS with leaders from Environmental Services, Linen Services, and Supply Chain/Materials Management to strategize on how the Support Services departments can assist with keeping corridors uncluttered. C. Re-education about corridor clutter (VUMC policy SA 50-10.02 Equipment and Materials in VUMC Corridors) was sent to all nursing and clinic managers via electronic communication by the VEHS Assistant Director.

WHEN:

A. Medical equipment was removed from exit corridor basement of Children's Hospital on 7/22/2015; medical equipment and miscellaneous items were removed from exit corridor basement of Children's Hospital on 7/22/2015; Linen carts were removed from VUH 10N Trauma unit on 7/22/2015; Cabinets were removed from the south corridor (5300G) of the VUH Cath Lab on 7/22/2015; and Excess stretchers were removed from the VUH Emergency Department corridors on 7/22/2015. B. Conference call review of policy/departamental responsibilities on 8/18/2015 with Support Services leaders. C. Nursing and clinical managers were re-educated on 9/1/2015 about VUMC policy SA 50-10.02 Equipment and Materials in VUMC Corridors via electronic communication distributed by the Assistant Director of VEHS.

HOW:

Monthly environment of care rounds are performed throughout the organization by members EOC Survey Team to assess on-going compliance with egress requirements. Areas will receive immediate feedback during the survey about compliance status. Quarterly summary reports regarding institutional compliance are provided to organizational leadership.

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HAP     Standard MM.05.01.07   The hospital safely prepares medications.

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**Findings:**     EP 1 §482.23(c) - (A-0405) - (c) Standard: Preparation and administration of drugs. This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt University Medical Center (1500 21st Ave. South, Nashville, TN) site for the Hospital deemed service. The staff RN in the dialysis unit prepared all IV medications in a small medication room. Medications that were not emergency preparations were prepared by the dialysis RN. Vancomycin, for example, was mixed in the room by an RN without a laminar flow hood. The process was to reconstitute the Vancomycin and inject it in an IV mini bag for infusion. §482.25(b)(1) - (A-0501) - (1) All compounding, packaging, and dispensing of drugs and biologicals must be under the supervision of a pharmacist and performed consistent with State and Federal laws. This Standard is NOT MET as evidenced by: Observed in Building Tour at Hemodialysis Clinic East (20 Rachel Drive, Nashville, TN) site for the Hospital deemed service. During a review of IV medication practices in the outpatient dialysis center, several doses of antibiotic were available in the medication room. The IV medications, such as vancomycin, ceftriaxone, and other antibiotics were mixed by the RNs in the medication room without a laminar flow hood.

Elements of Performance:

1. A pharmacist, or pharmacy staff under the supervision of a pharmacist, compounds or admixes all compounded sterile preparations except in urgent situations in which a delay could harm the patient or when the product's stability is short.

Scoring Category:     A

Corrective Action Taken:

WHO: Accreditation and Regulatory Administrator

WHAT:

Pharmacy, nursing, and medical staff leadership reviewed the medications prepared in non-urgent situations in the Village at Vanderbilt Dialysis Clinic and Vanderbilt Dialysis East Clinic and identified premixed or point-of-care activated options (e.g. ADD-Vantage®). This will eliminate mixing medications by RN's in the Dialysis Clinic without a laminar flow hood. Staff in-services were held to educate Dialysis clinic staff on the proper use of the point-of-care activated products selected.

**WHEN:**

Staff in-services were completed by 8/24/2015. The two clinics converted to the use of the identified premixed or point-of-care activated products by 8/25/2015.

**HOW:**

Ongoing assessment of compliance in the specified Dialysis Clinics will be accomplished via staff observations interviews during monthly MEDS Surveys and every 6 month Environment of Care Surveys. Any occurrence of non-compliance will be reported to clinic and pharmacy leadership.

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HAP	Standard PC.02.01.03	The hospital provides care, treatment, and services as ordered or prescribed, and in accordance with law and regulation.
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**Findings:** EP 7 Observed in Individual Tracer at Vanderbilt University Medical Center (1601 23rd Ave. South, Nashville, TN) site. Observed in the Adult 1 Psychiatric Unit, two separate orders for anxiety/agitation (Haldol and Lorazepam po) that were given together, at the same time. The current orders did not indicate that the medications could be administered in combination. §482.57(b)(3) - (A-1163) - (3) Services must only be provided under the orders of a qualified and licensed practitioner who is responsible for the care of the patient, acting within his or her scope of practice under State law, and who is authorized by the hospital's medical staff to order the services in accordance with hospital policies and procedures and State laws. This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Although appropriate, physician orders did not include care of the JP drain which was placed during surgery. The JP drain had not been mentioned in the physicians orders when this surveyor first looked at the orders, which was two days after placement. It was noted that the JP drain was addressed in physician orders after the tracer visit. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. The organization has a process (care transition order review) to reconcile physician orders when a patient is transferred between units or from surgery to a unit. The process reviews and/or updates orders to identify active orders. The process was not completed for the patient after surgery, and it could not be determined which orders were active.

Elements of Performance:

7. For hospitals that use Joint Commission accreditation for deemed status purposes: The hospital provides care, treatment, and services using the most recent patient order(s).

Scoring Category: A

Corrective Action Taken:

WHO: Chief of Staff, Vanderbilt University Hospital

WHAT:

Adult psychiatric pharmacy, nursing and medical staff leadership has approved a new order set for medication administration including (Haldol and Lorazepam) when being administered congruently for emergency situations. Medical Staff Rules and Regulations as approved by the Medical Center Medical Board ( MCMB) & Medical Center Administrative Committee (MCAC) address patient orders in (section IV .a. ii. – iv.). “a. Patient Orders ... ii. Blanket reinstatement of orders: Blanket reinstatement of previous orders (or a summary order to resume all previous orders) for medication are not acceptable. iii. Orders automatically cancelled: All previous orders are automatically canceled when a patient goes to the operating room, is transferred to another clinical service, or changes level of care. New orders must be documented for such patients after transfer or other change in level of care. ... iv. Documentation required: All orders for treatment shall be documented in writing or electronically through the electronic order entry system.” The re-education of providers to the Medical Staff Rules and Regulations regarding patient orders and therapeutic duplication was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services.

WHEN:

The Medical Staff Rules and Regulation was last approved on 5/21/2015 and published online on the policy website. The re-education of providers to the Medical Staff Rules and Regulations regarding patient orders and therapeutic duplication was completed via electronic communication from the Chief of Staff on 9/1/2015. The new medication order set was approved on 9/1/2015 and implemented 9/8/2015.

HOW:

Random audits will be conducted for provider order compliance to the Medical Staff Rules and Regulations. Non-compliance will be addressed by medical staff leadership.

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HAP	Standard PC.02.02.03	The hospital makes food and nutrition products available to its patients.
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Findings: EP 11 Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. Observed in the PTU, a nutrition refrigerator temperature log with out of range temperatures on 7, 9, 14, 15 and 16 July without evidence of a corrective action and appropriate temperature range. According to the temperature log instructions, temperatures that were out of range should be adjusted, retaken, then if it continued to be out of range, the operator should contact Plant Operations for assistance. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. Observed in the PTU, a nutrition freezer temperature log with out of range temperatures on 9,15 and 16 July without any evidence of corrective action and appropriate temperature range. According to the temperature log instructions, temperatures that were out of range should be adjusted, retaken, then if it continued to be out of range, the operator should contact Plant Operations for assistance. Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. An open milk carton without an open or expiration date was observed in the refrigerator in the Burn ICU. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site. During the review of a PICU nutrition refrigerator temperature log, two dates were noted to be out of range (07/16/15 and 07/17/15). The staff wrote "Adjusted" on the temperature log. There was no documentation of a temperature recheck or return to correct temperature range during that 48 hour period.

Elements of Performance:

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HAP	Standard PC.03.01.03	The hospital provides the patient with care before initiating operative or other high-risk procedures, including those that require the administration of moderate or deep sedation or anesthesia.
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Findings: EP 1 Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. A presedation patient assessment was not in the medical record before moderate sedation was administered. It was also not in the medical record two hours after the debridement procedure was completed. The physician indicated that although the assessment had been completed and the documentation had been started, the

documentation had not been completed prior to the administration of the sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. The preanesthesia patient assessment done prior to an organ transplant did not include documentation of an airway assessment. Other components of the preanesthesia assessment were present. EP 8 Observed in Individual Tracer at Vanderbilt Bone & Joint Surgery Center (225 Bedford Way, Franklin, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt Bone & Joint Surgery Center (225 Bedford Way, Franklin, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. During tracer activity and review of the medical record of a surgical patient, there was no evidence that the patient was re-evaluated prior to induction of anesthesia/sedation. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. There was no evidence that the patient was reevaluated immediately before administering moderate sedation prior to a debridement procedure. Observed in Individual Tracer at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site. There was no evidence that the patient was reevaluated immediately before administering anesthesia prior to an organ transplant. Observed in Individual Tracer at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site. During tracer activity in the PACU the record of a patient who had received anesthesia did not contain evidence of reevaluation immediately prior to induction of anesthesia as required by regulation. This was verified by Medical Directors of Anesthesia and Cardiac Anesthesia.

#### Elements of Performance:

1. Before operative or other high-risk procedures are initiated, or before moderate or deep sedation or anesthesia is administered: The hospital conducts a presedation or preanesthesia patient assessment. (See also RC.02.01.01, EP 2)

Scoring Category: A

**Corrective Action Taken:**

**WHO:** The Vice Chair for Clinical Affairs, Anesthesiology

**WHAT:**

One to one conversation with the non-compliant providers was performed. The departmental policy for pre-anesthesia patient assessment was discussed in the Anesthesia Department meeting.

**WHEN:**

One to one conversation with the non-compliant providers occurred during survey, 7/21/2015.  
Anesthesia Department meeting occurred 8/5/2015.

**HOW:**

Anesthesia will randomly audit records for compliance with pre-sedation/pre-anesthesia assessment.  
Any non-compliance will be addressed by Anesthesia Leadership.

8. The hospital reevaluates the patient immediately before administering moderate or deep sedation or anesthesia. (See also RC.02.01.01, EP 2)

Scoring Category: A

**Corrective Action Taken:**

**WHO:**

The Vice Chair for Clinical Affairs, Anesthesiology.

**WHAT:**

The Vice Chair for Clinical Affairs, Anesthesiology implemented the documentation of patient re-evaluation prior to induction of anesthesia/sedation in all perioperative anesthesia areas during the survey in response to guidance from the surveyors. This was communicated to all perioperative anesthesia areas through inter-office communications.

**WHEN:**

Inter-office communication sent 7/21/2015. This communication was reiterated 8/15/2015 at all-faculty meeting.

**HOW:**

Vanderbilt Coding and Billing Office will conduct random chart audits for compliance on patient re-evaluation prior to induction of anesthesia/sedation. Non-compliance will be addressed by Anesthesia Leadership.



**Vanderbilt University**  
**Organization ID: 7892**  
**1161 22nd Avenue Nashville, TN 37232-2101**

**Accreditation Activity - 60-day Evidence of Standards Compliance Form**  
**Due Date: 9/28/2015**

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**HAP    Standard EC.02.01.01 The hospital manages safety and security risks.**

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**Findings:** EP 5 §482.41(a) - (A-0701) - §482.41(a) Standard: Buildings The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The trash compactor number one located at the receiving dock of the Children's Hospital was unattended with the operational key inserted allowing anyone to operate the compactor. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. The trash compactor number two located at the receiving dock of the Children's Hospital was unattended with the operational key inserted allowing anyone to operate the compactor. Corrected on site.

**Elements of Performance:**

5. The hospital maintains all grounds and equipment.

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The keys for trash compactors number one and two, located at the receiving dock of Children's Hospital, were immediately removed from the trash compactors during the survey. Education was sent to appropriate responsible personnel via email communication that trash compactor keys are to be kept in a secure location and never left in the trash compactor.

**WHEN:**

The keys were removed during the survey on 7/21/2015. Education was sent to appropriate responsible personnel via email communication by 9/18/2015.

**HOW:**

Keys for the trash compactors are kept in a central location with access granted only to qualified personnel. Plant services will perform weekly observations for ongoing compliance of the security of the trash compactor keys.

**Evaluation** For the next 4 months, VUMC will observe the 4 trash compactors weekly to monitor

**Method:** ongoing compliance with security of the compactor keys. The denominator is the total number of trash compactor inspections. The numerator is the total number of trash compactors found secured (no keys left unsecured). The results of these inspections will be reported to the VUMC Safety Committee.

**Measure of  
Success Goal 90  
(%):**

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<b>HAP</b>	<b>Standard EC.02.06.01</b>	<b>The hospital establishes and maintains a safe, functional environment. Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.</b>
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**Findings:** EP 1 §482.41(a) - (A-0701) - §482.41(a) Standard: Buildings The condition of the physical plant and the overall hospital environment must be developed and maintained in such a manner that the safety and well-being of patients are assured. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed in the Interventional Radiology Procedure Room # 1077 Relocatable Power Taps in use in a patient care area that were not permanently attached to the equipment assembly and does not meet UL1363A or the organizational policy (Electrical Equipment, effective March 2015). The power strip was removed from the procedure room. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. Observed in the Interventional Radiology Procedure Room # 1074 Relocatable Power Taps in use in a patient care area that were not permanently attached to the equipment assembly and does not meet UL1363A or the organizational policy (Electrical Equipment, effective March 2015). The power strip was removed from the procedure room.

**Elements of Performance:**

1. Interior spaces meet the needs of the patient population and are safe and suitable to the care, treatment, and services provided.

**Scoring Category:** C

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The issue with the unapproved Relocatable power taps(RPT) in Interventional Radiology (IR) rooms 1077 and 1074 (patient care areas) was corrected when the surveyor was on site. RPTs were removed from both rooms. VUMC policy, SA 50-10.01, Electrical Equipment policy provides information about Vanderbilt's election to use the Centers for Medicare and Medicaid Services (CMS) categorical

waiver (Reference S&C 14-46-LSC). This waiver and the policy (implemented in 3/2015) define the types of and requirements associated with the use of relocatable power taps within the organization. Plant Services and Informatics completed the assessment, appropriate attachment, and upgrade of RPT's in the following in-patient and clinic sites: Vanderbilt University Hospital, Monroe Carroll Jr. Children's Hospital at Vanderbilt, One Hundred Oaks, Vanderbilt Eye Institute, Doctor's Office Tower, The Vanderbilt Clinic, Med Center East North Tower, and Med Center East South Tower. Informatics staff facilitated the RPT assessment, appropriate attachment, removal and/or upgrade in off-site clinics. Informatics also performed the assessment, appropriate attachment, and upgrade of RPT's associated with on-site mobile computer workstations.

**WHEN:**

The unapproved RPT's in Interventional Radiology procedure rooms 1107 and 1104 were removed on 7/24/2015 when the surveyor was on site. SA 50-10.01, Electrical Equipment policy was revised in 3/2015. As of 9/21/2015, all additional VUMC patient care areas were assessed and the RPT's, if present, were either removed or replaced with approved RPT equipment that was appropriately attached.

**HOW:**

Plant Services and Informatics assessed all VUMC patient care areas. Any RPT's, if present, were either removed or replaced with approved RPT equipment that were appropriately attached. Plant Services electric shop will inspect 50 rooms monthly for compliance with RPTs.

**Evaluation** Based on the number of rooms where RPTs are located, Plant Services will randomly

**Method:** inspect 50 rooms per month for the next 4 months for ongoing compliance. The denominator equals the total number of RPTs in the rooms inspected. The numerator equals the total number of RPTs found to be compliant. The results of these inspections will be reported to the VUMC Safety Committee.

**Measure of  
Success Goal 90  
(%):**

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**HAP      Standard IC.02.01.01      The hospital implements its infection prevention and control plan.**

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**Findings:**

EP 1 §482.42 - (A-0747) - §482.42 Condition of Participation: Condition of Participation: Infection Control This Condition is NOT MET as evidenced by: Observed in Tracer Activities at Vanderbilt Bone & Joint Clinic (206 Bedford Way, Franklin, TN) site for the Hospital deemed service. During tracer activity and tour of the occupational therapy cleaning of the hydrocollator had been performed every month versus every 14 days per manufacturers recommendation. The policy for this process had been corrected and implemented prior to the end of this survey. §482.13(c)(2) - (A-0144) - (2) The patient has the right to receive care in a safe setting. This Standard is NOT MET as evidenced by: Observed in Tracer Activities at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. The hospital does not always successfully implement activities to minimize, reduce, or eliminate the risk of infection. For example, dust was observed on the bronchoscopy tower cart and the bronchoscopy cart in the Burn ICU. Observed in Peds/ED, Tracer Activities at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. During environment of care rounds, it was observed, three emergency carts with attached side shelves for

holding additional supplies. The carts were moderately to heavily soiled with dust. Observed in Peds/ED, Tracer Activities at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. It was observed in a storage area, a cart with a pediatric weighing scale on top. The cart was moderately soiled with dust.

#### **Elements of Performance:**

1. The hospital implements its infection prevention and control activities, including surveillance, to minimize, reduce, or eliminate the risk of infection.

#### **Scoring Category: C**

#### **Corrective Action Taken:**

##### **WHO:**

Director of Infection Prevention

##### **WHAT:**

All medical equipment cited above was cleaned during the survey. Organization-wide re-education regarding the cleaning of medical equipment was sent by electronic communication.

##### **WHEN:**

All medical equipment cited above was cleaned by 7/24/2015 during the survey. Organization-wide re-education regarding the cleaning of medical equipment completed by 9/21/2015.

##### **HOW:**

Ongoing assessment of compliance to equipment cleaning will be accomplished via monthly Environment of Care Surveys. Any occurrence of non-compliance will be reported to unit leadership for correction.

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**HAP Standard LD.04.01.07** The hospital has policies and procedures that guide and support patient care, treatment, and services.

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**Findings:** EP 2 Observed in Tracer Activities at Vanderbilt Medical Group at West End Ave. | 2611 West End Av (2611 West End Ave., Nashville, TN) site. During tracer activity and tour of the allergy/asthma clinic management of samples had not been in compliance with the organizational policy "Sample Medication Management" OP10-10.02 current as of June 2015. Although the clinic had a log of all samples, there was no documentation of who the medication was dispensed to, the date dispensed or the lot number or the medication dispensed. In addition, there was "message communication in the electronic medical record but no evidence of an order or education to the patient of the medication as directed by the policy. Observed in Individual Tracer at Vanderbilt University Medical Center | 2200 Children's Way, (2200 Children's Way, Nashville, TN) site. During a tracer in the PICU an observation was made of signage on the breast milk storage refrigerator which stated "Breast Milk Pumped (never frozen) May be Stored for Up to Seven Days." The nurse manager confirmed this is the procedure followed in the PICU. The HCO's Policy CL 30-19.17 (last revised date August 2007) "Breastfeeding; Expressing and Storage of Breast Milk-VCH" states "EBM should be frozen immediately if it is not to be used within 24 hours." The policy does not address storage of breast milk in the refrigerator for seven

days. The current CDC recommendation is to store expressed breast milk for a maximum of 5 days. Policies and Procedures were revised during survey and practice was changed to meet current CDC recommendations.

#### **Elements of Performance:**

2. The hospital manages the implementation of policies and procedures. (See also NR.02.03.01, EP 2)

#### **Scoring Category: C**

#### **Corrective Action Taken:**

##### **WHO:**

The Accreditation and Regulatory Administrator

##### **WHAT:**

Observation 1: The Sample Medication Management policy OP 10-10.02 was updated to include revised log sheets for documentation of sample medication to include: who the medication was dispensed to, the date dispensed, the lot number and medication dispensed. A Sample Medication Program Implementation Plan was developed by the Pharmacy detailing the required steps for compliance with the revised Sample Medication Management policy. In-services were held by the clinic manager to educate the Vanderbilt Asthma, Sinus, and Allergy Program (VASAP) providers and clinical staff regarding the new processes. Observation 2: Expressing and Storage of Breast Milk Policy CL 30-19.17 was reviewed and revised to include the following changes under section V.C, storage of breast milk (EBM): "EBM should be frozen immediately if it is not to be used within 48 hours. If EBM is fortified it should be used within 24 hours" and "Partially thawed EBM can be re-frozen in the hospital setting." Breast milk storage signs were developed and placed on all breast milk refrigerators in VCH. The sign reflects the updated storage timeframes according to the revised policy. Education to Vanderbilt Children's Hospital (VCH) staff was completed via newsletters summarizing updated breast milk storage guidelines.

##### **WHEN:**

Observation 1: The revised Sample Medication Management policy OP 10-10.02 was approved by the Pharmacy, Therapeutics and Diagnostics Committee and was approved and implemented by the Medical Center Medical Board on 9/3/2015. The Sample Medication Program Implementation Plan was provided to the VASAP Manager on 8/21/2015. VASAP Provider and staff education was completed via in-services and email notification by 9/9/2015. Revised processes were implemented on 9/10/2015. Observation 2: The revised Expressing and Storage of Breast Milk Policy was approved by the Medical Center Medical Board in 9/22/2015. Signs were placed on the breast milk refrigerators 9/18/2015. Staff education was completed by 9/21/2015.

##### **HOW:**

Observation 1: The Pharmacy Compliance and Process Improvement Manager performs monthly reviews of Sample Medication documentation to assess ongoing compliance. Observation 2: The Quality Improvement Analysts perform monthly observations of breast milk storage to assess ongoing compliance.

#### **Evaluation**

**Method:** Observation 1: Sample Medication documentation will be reviewed monthly for four consecutive months via log and chart reviews. The review will include documentation of who the medications was dispensed to, the date dispensed, the lot number of the medication dispensed, patient education, and the provider order. All patients who receive sample medication from the clinic will be audited. Denominator = the total number of patients who received sample medication; Numerator = number of patients

who received sample medication dispenses with specified documentation. Data will be reported to Pharmacy Therapeutics and Diagnostic Committee. Observation 2: All breast milk refrigerators will be reviewed monthly for four consecutive months via Quality Improvement Analysts. The review will include verification that the sign is affixed to the refrigerator. Denominator = the total number of refrigerators; Numerator = the number of refrigerators with compliant signage. All bottles of breast milk stored in all breast milk refrigerators will be reviewed. Denominator = the total number of bottles of breast milk; Numerator = the number of compliant bottles stored in the refrigerator. Data will be reported to the Children's Performance Management and Improvement Council.

**Measure of  
Success Goal 90  
(%):**

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**HAP      Standard LS.02.01.10      Building and fire protection features are designed and maintained to minimize the effects of fire, smoke, and heat.**

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**Findings:** EP 9 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html). Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. At the Children's Hospital there was a penetration above ceiling located on the seventh floor adjacent to room 7407 due to a four inch sleeve containing communication type wiring that was not properly filled with an approved fire resistance rated material in the two hour fire resistance rated separation. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (2200 Children's Way, Nashville, TN) site for the Hospital deemed service. At the Children's Hospital there was a penetration above ceiling located on the sixth floor adjacent to room 6007 due to a two inch sleeve containing communication type wiring that was not properly filled with an approved fire resistance rated material in the two hour fire resistance rated separation. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1161 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At Medical Center North there was a penetration in the two hour fire resistance rated separation adjacent to room 4404 due to a four inch sleeve containing communication wire where the interior space was not filled with an approved fire resistance rated material. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1161 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At Medical Center North there was a penetration in the

two hour fire resistance rated separation adjacent to room 3402 due to a four inch sleeve containing communication wire where the interior space was not filled with an approved fire resistance rated material. Corrected on site. Observed in Building Tour at Vanderbilt University Medical Center (1215 21st Ave. South, Nashville, TN) site for the Hospital deemed service. At the East North Tower there was an above ceiling penetration located adjacent to stair 3 in the two hour fire resistance rated separation due to a one half inch sleeve not filled with an approved fire rated material. Corrected on site.

#### **Elements of Performance:**

9. The space around pipes, conduits, bus ducts, cables, wires, air ducts, or pneumatic tubes that penetrate fire-rated walls and floors are protected with an approved fire-rated material. Note: Polyurethane expanding foam is not an accepted fire-rated material for this purpose. (For full text and any exceptions, refer to NFPA 101-2000: 8.2.3.2.4.2)

#### **Scoring Category: C**

#### **Corrective Action Taken:**

##### **WHO:**

Assistant Vice Chancellor, Facilities and Construction

##### **WHAT:**

The above ceiling penetration in Children's Hospital located on the 7th floor adjacent to room 7407 and on the 6th floor adjacent to room 6007 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation. The penetrations at MCN adjacent to room 4404 and at MCN adjacent to room 3402 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation. The above ceiling penetration at East North Tower adjacent to stair 3 was filled with an approved fire material. VUMC has an above ceiling program, outlined by VUMC safety policy, SA 40-10.07, Above Ceiling Work(ACW). The policy requires an ACW Permit to be maintained at the work location and all personnel performing above ceiling work to carry a VUMC (ACW)certification card. Upon completion of ACW, the individual responsible for the work completes a completion checklist. The permit is considered closed out once the final inspection signature block and date fields are completed by VUMC authorizing representative.

##### **WHEN:**

The above ceiling penetrations in Children's Hospital located on the 7th floor adjacent to room 7407 and on the 6th floor adjacent to room 6007 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation on 7/24/2015. The penetrations at MCN adjacent to room 4404 and at MCN adjacent to room 3402 were properly filled with an approved fire resistant rated material in the 2 hr fire resistance rated separation on 7/24/2015. The above ceiling penetration at East North Tower adjacent to stair 3 was filled with an approved fire material on 7/24/2015. Above Ceiling Work policy revised 4/2013.

##### **HOW:**

The Plant Services Department has a preventative maintenance (PM) program/building maintenance program (BMP). Fire/Smoke barrier assemblies are included as "assets" in the BMP and are checked continuously throughout the organization for penetrations in fire-rated walls. Any penetrations discovered during these inspections are properly filled with an approved fire resistant rated material. In addition to the Plant Services PM and BMP programs, VUMC also has an ACW Program, outlined by VUMC safety policy, SA 40-10.07, Above Ceiling Work policy. The policy requires an ACW permit to be maintained at the work location and that all personnel performing above ceiling work to carry a VUMC ACW Certification Card. Upon completion of ACW permit, the individual responsible

for the work completes a completion checklist. The permit is considered closed out once the final inspection signature block and date fields are completed by VUMC authorizing representative.

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**HAP     Standard LS.02.01.30     The hospital provides and maintains building features to protect individuals from the hazards of fire and smoke.**

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**Findings:** EP 23 §482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html). Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes. This Standard is NOT MET as evidenced by: Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the smoke separation double door number 10636 had a gap greater than 1/8 inch at the location of where the two doors meet. Observed in Building Tour at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. In VHU the smoke separation double door number 9220 had a gap greater than 1/8 inch at the location of where the two doors meet. Observed in Building Tour at Vanderbilt University Medical Center (1601 23rd Ave. South, Nashville, TN) site for the Hospital deemed service. The double leaf smoke separation door adjacent to room 2178 did not close completely resulting in a gap greater than one eighth inches between the meeting edges.

**Elements of Performance:**

23. Doors in smoke barriers are self-closing or automatic-closing, constructed of 1 3/4-inch or thicker solid bonded wood core or constructed to resist fire for not less than 20 minutes, and fitted to resist the passage of smoke. The gap between meeting edges of door pairs is no wider than 1/8 inch, and undercuts are no larger than 3/4 inch. Doors do not have nonrated protective plates more than 48 inches above the bottom of the door. (For full text and any exceptions, refer to NFPA 101-2000: 18/19.3.7.5, 18/19.3.7.6, and 8.3.4.1)

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Assistant Vice Chancellor, Facilities and Construction

**WHAT:**

The gaps at the meeting edges of smoke separation double door number 10636, 9220, and the double leaf smoke separation door adjacent to room 2178 were corrected to a gap of less than 1/8 inch.



**WHEN:**

Gaps at the meeting edges of smoke separation double door numbers 10636, 9220, and the double leaf smoke separation door adjacent to room 2178 were corrected to a gap of less than 1/8 inch on 8/20/2015.

**HOW:**

The Plant Services Department has a preventative maintenance (PM) program/building maintenance program (BMP). Fire/Smoke barrier door assemblies are included as "assets" in the BMP and are checked continuously throughout the organization. The PM for 1 and 2 hr Fire/Smoke barrier door assemblies includes checking for gaps not greater than 1/8 inch. Any door discovered to have a gap greater than 1/8 inch between the meeting edges is reported to the Manager of Work Management & Compliance. A work order is generated for immediate attention to the doors. The Environment of Care team conducts weekly inspections throughout the organization and reviews doors for appropriate gaps as part of these inspections. Deficiencies are reported to the Manager of Work Management & Compliance for correction when observed.

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**HAP Standard MM.05.01.11 The hospital safely dispenses medications.**


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**Findings:** EP 4 Observed in Individual Tracer at Vanderbilt University Medical Center (1500 21st Ave. South, Nashville, TN) site. The dialysis unit routinely used a multidose vial of 30,000 units of heparin per ml for injection as a multidose vial. The multidose vial is used for different patients until empty. Observed in Building Tour at Hemodialysis Clinic East (20 Rachel Drive, Nashville, TN) site. During a tour of the outpatient dialysis unit, several bottles of heparin 30,000 units per cc vials were located in the medication room. The vials are used for several patients and are not used for one patient,

**Elements of Performance:**

4. Medications are dispensed in the most ready-to-administer forms commercially available and, if feasible, in unit doses that have been repackaged by the pharmacy or licensed repackager.

**Scoring Category: C****Corrective Action Taken:****WHO:**

Accreditation and Regulatory Administrator

**WHAT:**

Pharmacy, nursing, and medical staff leadership reviewed heparin use in the Village at Vanderbilt Dialysis Clinic and Vanderbilt Dialysis East Clinic and identified the heparin 1,000 unit/mL, 10 mL vial size as the most ready-to-administer form commercially available. Staff in-services were held to educate staff on the new vial size and to limit use to one vial / one patient.

**WHEN:**

Dialysis clinic staff in-services were completed by 8/24/2015. The two Dialysis clinics converted to the use of heparin 1,000 unit/mL, 10 mL vial size and the use of one vial / one patient by 8/25/2015.

**HOW:**

1. Heparin Vial purchases: All heparin purchases will be reviewed to validate the purchase of heparin

1,000 unit/mL in the 10mL vial size rather than 30 mL at the Dialysis clinics. 2. Review of all heparin vials in stock during monthly survey. Dialysis clinic observations will be conducted monthly to validate the use of heparin vials for only one patient. Compliance will be reported monthly to Pharmacy, Therapeutics and Diagnostics Committee.

**Evaluation** All heparin purchases will be reviewed monthly by pharmacy to validate the purchase

**Method:** of heparin 1,000 unit/mL in the 10mL vial size rather than 30 mL at the Dialysis clinics. Denominator = the total number of heparin vials purchased each month; Numerator = the number of heparin vials purchased in the appropriate vial size. This will be monitored for 4 consecutive months. 2. Review of all heparin vials in stock during monthly survey. Dialysis clinic observations will be conducted monthly to validate the use of heparin vials for only one patient. Observations will be conducted of the area for no opened vials of heparin found in stock. Observation will be completed by pharmacy and regulatory specialist. Observations: Denominator= total number of heparin vials in stock; Numerator = the number of unopened heparin vials. Observations: Denominator= total number of staff observed; Numerator = the number of staff compliant. Both will be monitored for 4 consecutive months. Compliance for both indicators will be reported monthly to Pharmacy, Therapeutics and Diagnostics Committee.

**Measure of  
Success Goal 90  
(%):**

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<b>HAP    Standard MS.06.01.03</b>	<b>The hospital collects information regarding each practitioner's current license status, training, experience, competence, and ability to perform the requested privilege.</b>
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**Findings:** EP 6 §482.11(c) - (A-0023) - (c) The hospital must assure that personnel are licensed or meet other applicable standards that are required by State or local laws. This Standard is NOT MET as evidenced by: Observed in Credentialing and Privileging at Vanderbilt University (1161 22nd Avenue, Nashville, TN) site for the Hospital deemed service. During review of a medical staff LIP credentials file, it was noted that the physician's license had expired on 6-30-14 and primary source verification of renewal was documented on 7-2-14. The physician's license was not documented as renewed on 6-30-14 as verified by both the Director and Manager of Medical Staff Provider Support Services. There was an attempt to verify the renewal of the license on 6-30-14, but the State was unable to verify the renewal due to the late submission of the application. The Medical Staff Provider Support Services coordinator stated that the physician submitted the reapplication on 6-30-2014. The physician practiced on 7-1-2014 as confirmed by the Accreditation and Regulatory Administrator. The license was validated as renewed on 7-2-14 by the credentialing specialist. Current documentation posted from the Tennessee Code states the physician's license was renewed from 7-1-2014 through 6-30-2016.

#### **Elements of Performance:**

6. The credentialing process requires that the hospital verifies in writing and from the primary source whenever feasible, or from a credentials verification organization (CVO), the following information: -

The applicant's current licensure at the time of initial granting, renewal, and revision of privileges, and at the time of license expiration - The applicant's relevant training - The applicant's current competence (See also PC.03.01.01, EP 1)

**Scoring Category: A**

**Corrective Action Taken:**

**WHO:**

Chief Medical Officer, VMG

**WHAT:**

The policy, Provider Support Services (PSS) License Renewal Verification Process was developed and approved by the Executive Committee of the Medical Center Medical Board. This policy outlines the process that ensures all credentialed providers maintain current State and Federal license requirements. The Medical Staff Bylaws and Rules & Regulations were approved by the Medical Center Medical Board, Medical Staff and the Medical Center Affairs Committee and address the responsibility of the licensed healthcare professionals to maintain current license without lapse in section 3.2.1: "Licensure: Hold a currently valid license issued by the State of Tennessee to practice medicine or dentistry or teach a new procedure or learn a new technique." The re-education of medical staff to the Medical Staff Bylaws and Rules & Regulations regarding expiring licenses was completed via electronic communication from the Chief of Staff. Clarifying information from the Board of Medical Examiners regarding the Board's interpretation of the 60 day "grace" period for license renewals was posted to the PSS SharePoint site for the PSS Staff and communicated to each member of the team.

**WHEN:**

The policy, Provider Support Services (PSS) License Renewal Verification Process was approved and implemented on 8/20/2015. The Medical Staff Bylaws and Rules & Regulations were last approved on 5/21/2015 and published online in Policy Tech. The re-education of the medical staff to the Medical Staff Bylaws and Rules & Regulations regarding expiring licenses was completed via electronic communication from the Chief of Staff by 9/7/2015. The SharePoint post and communication to PSS Staff occurred on 7/27/2015.

**HOW:**

Provider Support Leadership will monitor the activities of the process to ensure compliance with the Provider Support Services (PSS) License Renewal Verification Process on a monthly basis.

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**HAP Standard PC.01.03.01 The hospital plans the patient's care.**

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**Findings:** EP 44 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. A patient had the care need of anxiety identified by the provider. However, there were no specific goals identified as part of a patient treatment plan. Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. Included in the provider visit note was a statement that the health goals of diet, exercise, substance abuse, and risk reduction were discussed. However, there was no description of these goals specific to this particular patient's care needs reflected in a treatment plan.

**Elements of Performance:**

44. For hospitals that elect The Joint Commission Primary Care Medical Home option: Patient self-management goals are identified, agreed upon with the patient, and incorporated into the patient's treatment plan. (Refer to RI.01.02.01, EP 1)

**Scoring Category: A****Corrective Action Taken:****WHO:**

Medical Director of Vanderbilt Comprehensive Care Clinic (VCCC)

**WHAT:**

The provider progress note template was revised to include patient self management goals and incorporated into the patient's treatment plan with the patient's agreement. Comprehensive Care Clinic providers were educated to the new provider note template at the provider meeting.

**WHEN:**

Provider progress note template revised 9/3/2015. Provider education completed 9/9/2015.

**HOW:**

Random medical record audits will be conducted to verify the presence of self management goals that are agreed upon with the patient and incorporated into the patient's treatment plan.

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<b>HAP</b>	<b>Standard RI.01.04.03</b>	<b>For hospitals that elect The Joint Commission Primary Care Medical Home option: The primary care medical home provides patients with information about its functions and services.</b>
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**Findings:** EP 1 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. A new patient information booklet had been developed that included this standard's information requirements. However, a patient's documented education was reviewed and there was no evidenced that the required information had been provided. The patient had been treated at the clinic for several years and was not considered a "new patient". Further, the patient's record indicated that she could not read. In discussion with clinic leadership staff, it was determined that there was not a mechanism in place to provide this required information to long-standing patients or those with literacy needs.

**Elements of Performance:**

1. For hospitals that elect The Joint Commission Primary Care Medical Home option: The primary care medical home provides information to the patient about: Its mission, vision, and goals. (Refer to LD.02.01.01, EP 3) Note: This may include how it provides for patient-centered and team-based comprehensive care, a systems-based approach to quality and safety, and enhanced patient access.

**Scoring Category: A****Corrective Action Taken:****WHO:**

The Clinical Director of Vanderbilt Comprehensive Care clinic (VCCC)

**WHAT:**

Required Information: A process was developed to provide brochures describing the mission, vision, and goals for comprehensive care at VCCC. These brochures are available at the front desk and given to every patient at every visit. Front desk staff were trained to provide a brochure to each patient at intake. Health Literacy Needs: The provider progress note template was revised to address health literacy needs. Clinical staff were reeducated via on-screen demonstration and written communication in team meeting to discuss current process to verbally go over printed materials with patients who have a positive intake result for health literacy needs.

**WHEN:**

Required Information: The process for providing the brochures and the training of the front desk staff was completed 9/14/2015. Health Literacy Needs: The provider progress note template was revised and providers were educated at the provider meeting and the form was implemented by 9/9/2015. Clinical staff reeducation was completed 9/14/2015.

**HOW:**

Random observations that patients are receiving the required information, suitable to the patient, regarding the mission, vision and goals of the VCCC will be conducted. Random electronic medical record audits will be conducted to verify that health literacy is addressed in the provider note. Non compliance will be addressed by the clinical director of VCCC.

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**HAP    Standard RI.01.05.01    The hospital addresses patient decisions about care, treatment, and services received at the end of life.**

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**Findings:** EP 9 §482.13(b)(3) - (A-0132) - (3) The patient has the right to formulate advance directives and to have hospital staff and practitioners who provide care in the hospital comply with these directives, in accordance with §489.100 of this part (Definition), §489.102 of this part (Requirements for providers), and §489.104 of this part (Effective dates). This Standard is NOT MET as evidenced by: Observed in Individual Tracer at Vanderbilt Medical Group at Coolsprings Blvd. (324 Coolsprings Blvd., Franklin, TN) site for the Hospital deemed service. During review of the medical record of an oncology patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives. This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September. Observed in Individual Tracer at Vanderbilt Ingram Cancer Center - Franklin (2107 Edward Curd Lane, Franklin, TN) site for the Hospital deemed service. During review of the medical record of a radiation oncology patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives. This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September. Observed in Individual Tracer at Vanderbilt Medical Group at Green Hills - Bedford Ave. (3810 Bedford Ave., Suite 100, Nashville, TN) site for the Hospital deemed service. During review of the medical record of an infusion patient, there was no evidence that the patient had an advance directive or had been provided information regarding advance directives.

This was not in compliance with the organizational policy "Health Care Decision Making/Advance Directives OP20-10.08 current as of June 2015. Education of advance directives and pilot program for implementation in outpatient Oncology is to take place in September.

**Elements of Performance:**

9. The hospital documents whether or not the patient has an advance directive.

**Scoring Category: C**

**Corrective Action Taken:**

**WHO:**

Chief Nursing Officer of VUH and VMG.

**WHAT:**

Nursing Administrative Directors discussed process for documenting evidence that patient has an advanced directive or was given information. Process approved at the Advanced Directives Implementation Committee meeting. Electronic Clinic Intake Form revised to include Advanced Directive question. A memo was sent by VUH and VMG Chief Nursing Officer to VMG clinic managers regarding process to include question on electronic clinic intake form and audit to measure compliance. Training document developed to aid outpatient staff in what questions to ask patients, where to document the conversation and how to obtain Advanced Care Plan documents to give patients who request these. Education using the training document was completed for all necessary outpatient staff to include staff where observations occurred during onsite visit (Vanderbilt Medical Group at Coolsprings Blvd., Vanderbilt Ingram Cancer Center and Vanderbilt Medical Group at Green Hills). Staff trained on revised electronic clinic intake form. Implemented revised electronic clinic intake form in the outpatient settings.

**WHEN:**

8/24/2015: Nursing Administrative Directors meeting held to discuss process for documenting evidence that patient has an advanced directive or was given information. 9/2/2015: Process approved at the Advanced Directives Implementation Committee meeting. By 9/23/2015: Electronic clinic intake form was revised. 9/18/2015: A memo was sent by the VUH and VMG Chief Nursing Officer to VMG clinic managers regarding process to include question on electronic clinic intake form and audit to measure compliance. 9/11/2015: Training document developed to aid outpatient staff in what questions to ask patients, where to document the conversation and how to obtain Advanced Care Plan documents to give patients who request these. By 9/23/2015: Education was completed for all necessary outpatient staff to include staff where observations occurred during onsite visit (Vanderbilt Medical Group at Coolsprings Blvd., Vanderbilt Ingram Cancer Center and Vanderbilt Medical Group at Green Hills). By 9/23/2015: Staff were trained on revised clinic electronic intake form. By 9/23/2015: Revised clinic electronic intake form was implemented in the outpatient settings.

**HOW:**

Quality, Safety and Risk Prevention Department will perform random monthly medical record reviews of the clinic intake form for ongoing compliance of documentation for evidence the patient has an advance directive or provided information on advance directive.

**Evaluation**

**Method:** Quality, Safety and Risk Prevention Department will randomly audit 70 outpatient medical records for four consecutive months. The data will be reported to the Outpatient Nursing Leadership Board. Numerator: # of outpatient medical records compliant for documentation evidence that patient has an advance directive or was

given information. Denominator: # of electronic outpatient medical records reviewed (70)

**Measure of  
Success Goal 90  
(%):**

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**HAP    Standard UP.01.03.01 A time-out is performed before the procedure.**

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**Findings:** EP 2 Observed in Individual Tracer at Vanderbilt at One Hundred Oaks (719 Thompson Lane, Nashville, TN) site. During an observation of a pain procedure with moderate sedation, the time out was conducted and included the attending physician, RN, radiology technician and patient. An anesthesia fellow joined the procedure after the time out was performed and proceeded to complete a major portion of the procedure. There was no additional time out completed when this physician joined the team.

**Elements of Performance:**

2. The time-out has the following characteristics: - It is standardized, as defined by the hospital. - It is initiated by a designated member of the team. - It involves the immediate members of the procedure team, including the individual performing the procedure, the anesthesia providers, the circulating nurse, the operating room technician, and other active participants who will be participating in the procedure from the beginning.

**Scoring Category: A**

**Corrective Action Taken:**

**WHO:**

Associate Nursing Officer – Surgery Patient Care Center

**WHAT:**

The Universal Protocol - Identification of Correct Patient, Procedure, Site/Side CL 30-04.16 policy was developed and endorsed by the Clinical Practice Committee, and the Medical Center Medical Board. The time-out process is addressed in the policy in the following manner: "B. Time-out 1. Conduct a time-out immediately before starting the invasive procedure or making the incision with all relevant members of the team focused on the active verbal confirmation of the correct patient, procedure, and site/side" Attending physician as well as the Fellow were counseled one-on-one regarding time-out compliance requirement per policy by the Chief - Division of Pain Medicine. Time-out policy was reviewed with all staff and faculty in the Pain Clinic by the Manager of Vanderbilt Preoperative Evaluation Center (VPEC) & Interventional Pain Clinic. The reeducation of providers to the time-out requirement was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services. This reeducation included situations in which an additional proceduralist joins the procedure after the time-out is performed, the time-out is repeated.

**WHEN:**

The Universal Protocol - Identification of Correct Patient, Procedure, Site/Side CL 30-04.16 policy was developed and endorsed by the Clinical Practice Committee, and the Medical Center Medical Board 7/2015. Attending physician as well as the Fellow were counseled one-on-one regarding time-out compliance requirement per policy on 7/23/2015. Time-out policy reviewed with all staff and

faculty in Pain Clinic on 7/23/2015. The reeducation of providers to the time-out requirement was completed via electronic communication from the Chief of Staff for Vanderbilt Health Services on 9/1/2015.

**HOW:**

Random observations by clinic manager in One Hundred Oaks Pain clinic procedural area will be conducted for compliance on time-out process. Non-compliance will be addressed by Patient Care Center Leadership.



# Proof of Publication



## State of Tennessee

### Health Services and Development Agency

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243  
[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

August 1, 2018

Ginna Felts  
Vanderbilt University Medical Center  
3319 West End Avenue, Suite 920  
Nashville, TN 37203

RE: **Certificate of Need Application – Vanderbilt University Medical Center- CN1807-030**

**The initiation of pediatric MRI services at an unaddressed site on the east side of Garrison Drive near the intersection of Garrison Drive and West College Street, Murfreesboro (Rutherford County), TN. The applicant is owned by Vanderbilt University Medical Center. The estimated project cost is \$3,537,915.71.**

Dear Ms. Felts:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health, Division of Policy, Planning, and Assessment for Certificate of Need review. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is [Trent.Sansing@tn.gov](mailto:Trent.Sansing@tn.gov) or 615-253-4702.

In accordance with Tennessee Code Annotated, §68-11-1607, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project began on August 1, 2018. The first 60 days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the 60-day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review. You will receive a copy of their findings. The Health Services and Development Agency will review your application on October 24, 2018.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Melanie M. Hill', written in a cursive style.

Melanie M. Hill  
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



**State of Tennessee**

**Health Services and Development Agency**

Andrew Jackson, 9<sup>th</sup> Floor, 502 Deaderick Street, Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda) Phone: 615-741-2364 Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director  
Office of Policy, Planning and Assessment  
Division of Health Statistics  
Andrew Johnson Tower, 2nd Floor  
710 James Robertson Parkway  
Nashville, Tennessee 37243

FROM: Melanie M. Hill  
Executive Director

DATE: August 1, 2018

RE: Certificate of Need Application  
Vanderbilt University Medical Center- CN1807-030

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on August 1, 2018 and end on October 1, 2018.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: Ginna Felts





JUL 9 10 AM 11:10

**State of Tennessee  
Health Services and Development Agency**

Andrew Jackson Building, 9<sup>th</sup> Floor

502 Deaderick Street

Nashville, TN 37243

[www.tn.gov/hsda](http://www.tn.gov/hsda)

Phone: 615-741-2364

Fax: 615-741-9884

**LETTER OF INTENT**

The Publication of Intent is to be published in the Tennessean which is a newspaper  
of general circulation in Davidson (Name of Newspaper)  
(County), Tennessee, on or before July 9, 20 18,  
(Month / day) (Year)  
for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

Vanderbilt University Medical Center Hospital  
(Name of Applicant) (Facility Type-Existing)  
owned by: Vanderbilt University Medical Center with an ownership type of Corporation, Not-for-profit  
and to be managed by: Vanderbilt University Medical Center intends to file an application for a Certificate of Need  
for: the initiation of pediatric magnetic resonance imaging services located at an unaddressed  
site located on the east side of Garrison Drive, approximately 250' SW of the intersection of Garrison Drive and West College Street in  
Murfreesboro, TN, 37232. The project cost will be \$3,537,915.71. This project does not include licensed beds or involve any other  
service for which a certificate of need is required.

The anticipated date of filing the application is: July 13, 20 18

The contact person for this project is Ginna Felts, Vice-President, Business Development  
(Contact Name) (Title)  
who may be reached at: Vanderbilt University Medical Center 3319 West End Avenue, Suite 920  
(Company Name) (Address)  
Nashville TN 37203 615 / 936-6005  
(City) (State) (Zip Code) (Area Code / Phone Number)  
[Signature] 7/9/18 ginna.felts@vumc.org  
(Signature) (Date) (E-mail Address)

The Letter of Intent must be **filed in triplicate** and **received between the first and the tenth day of the month**. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

# Supplemental #1 (Original)

Vanderbilt  
University Medical  
Center

CN1807-030

**July 25, 2018**

**3:07 P.M.**

**AFFIDAVIT**

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Vanderbilt University Medical Center

I, C. Wright Pinson, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

C Wright Pinson  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24<sup>th</sup> day of July, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Amanda L. Bright  
NOTARY PUBLIC

My commission expires 11 - 5, 2018.

HF-0043

Revised 7/02





**1. Section A, Executive Summary**

Will the new outpatient facility replace the existing clinic?

**RESPONSE:** The existing Vanderbilt Children's Clinic, located at 1155 Kennedy Drive, Murfreesboro, currently includes pediatric medical subspecialties and pediatric surgical subspecialties. This clinic will continue to operate with the pediatric medical subspecialties, while the surgical subspecialties will relocate to the new outpatient facility will be located on Garrison Drive.

It is understood that the MRI suite will occupy 1,082 square feet. To better understand how the pediatric MRI fits with the other services that will be provided in the building, Please address the following:

- Total facility square footage
- Number of floors
- Description of the other services in the building by floor including the proposed pediatric MRI

**RESPONSE:** The Murfreesboro outpatient campus of MCJCHV on Garrison Drive will be a one-story building with approximately 37,500 square feet. The building will include a multispecialty clinic, audiology booths, diagnostic imaging and outpatient surgery.

What is the distance between the proposed pediatric MRI and VUMC?

**RESPONSE:** According to Google Maps, the distance between VUMC and the new outpatient facility is 32 miles.

Will the building space be designed for possible future expansion?

**RESPONSE:** Yes, the building is being designed so that if future expansion is needed, it could be accommodated.

Approximately what is the percentage of pediatric patients who require some form of anesthesia for an MRI procedure?

**RESPONSE:** Approximately 45% of the MRIs require sedation.

**2. Section A, Project Details, Item 6A.-Legal Interest in the Site**

There was no mention of the purchase price in the Purchase and Sales Agreement. What was the purchase price of the land?

**RESPONSE:** The purchase price of the entire parcel is \$4,788,115.

**3. Section A, Project Details, Item 6B1)-Plot Plan**

Please identify on the plot plan where the MRI unit will be located.

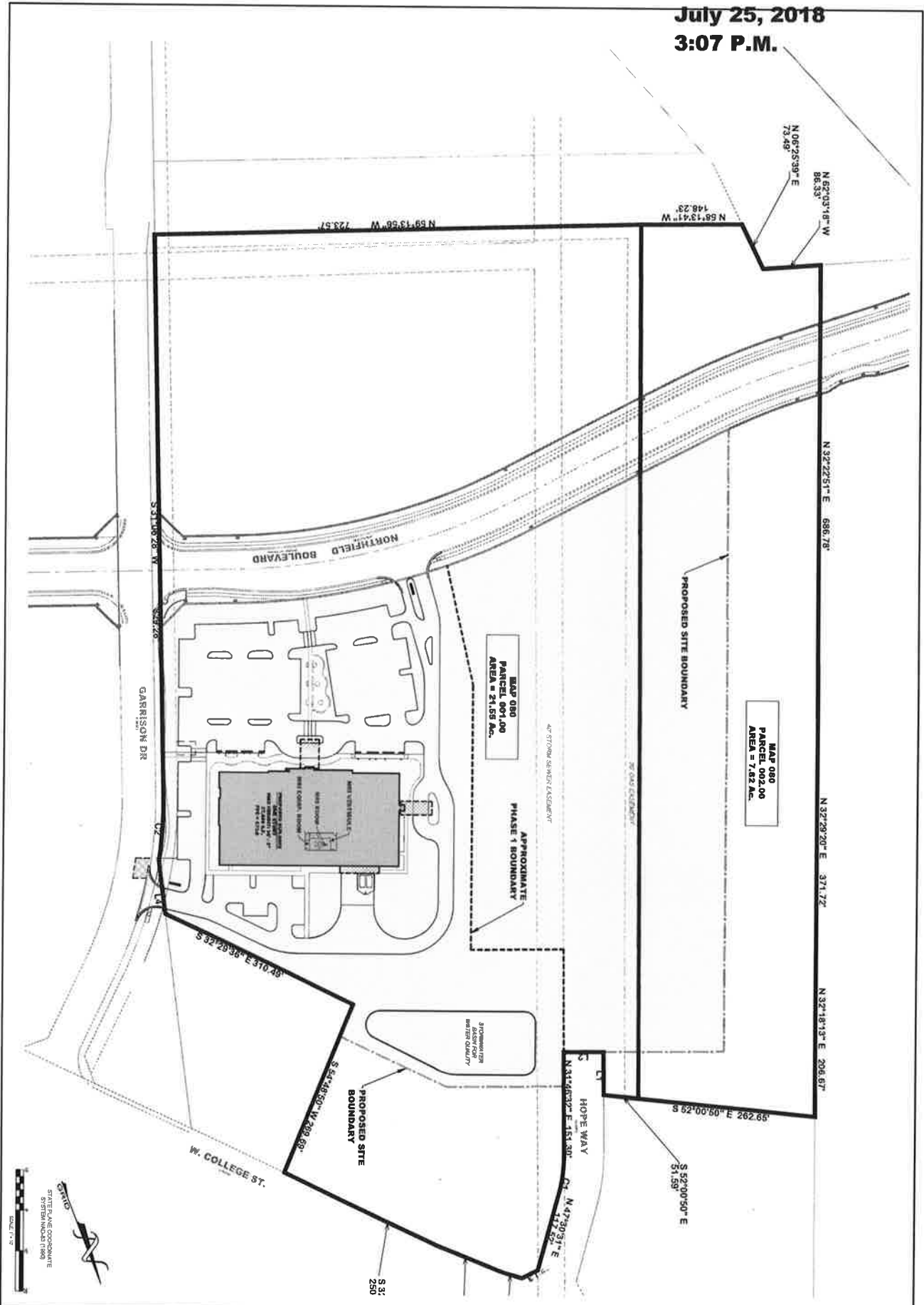
**July 25, 2018**

**3:07 P.M.**

**RESPONSE:** Please find the updated plot plan indicating where the MRI will be located below.

July 25, 2018

3:07 P.M.



DATE	DESCRIPTION

**MCJCHV MOB**  
**GARRISON DRIVE**  
**MURFREESBORO, TENNESSEE**

**Barge**  
**Cauthen**  
**ASSOCIATES**

8000 CHARLOTTE PKE, STE 210  
 MURFREESBORO, TENNESSEE 37130  
 615.896.0011 PHONE  
 615.896.0707 FAX

Where is the current clinic on the site?

**RESPONSE:** The current Vanderbilt Children's Clinic is not located at 1155 Kennedy Drive, Murfreesboro, Tennessee, which is less than one mile from the new site.

Will the current clinic remain or will the services in the current clinic relocate to the new building?

**RESPONSE:** Yes, as referenced previously, the current Vanderbilt Children's Clinic will remain at 1155 Kennedy Drive with pediatric medical subspecialties. The pediatric surgical subspecialties will relocate to the Garrison Drive building.

**4. Section A, Project Details, Item 9**

What medical group will be providing interpretation services? Will professional fees for MRI interpretation services by the identified radiologists be reimbursed by the applicant? If billing separately under their own provider certification/registration numbers, what assurances apply such that the radiologists will hold Medicare and Medicaid provider certification and will be contracted with the same TennCare MCO plans as the applicant? Please briefly discuss the arrangements planned in this regard.

**RESPONSE:** Vanderbilt University Medical Center (VUMC) owns the Vanderbilt University Hospital, the Monroe Carell Jr. Children's Hospital at Vanderbilt, and Vanderbilt Psychiatric Hospital. These facilities operate under one hospital license as VUMC. In addition, VUMC includes the Vanderbilt Medical Group (VMG), which is comprised of 2200+ professional practice. VUMC has a single Tax Identification Number, utilized by all VUMC entities. VUMC contracts with Managed Care Payors for facilities and professional group. Neither the facilities nor the professional practice contract separately; therefore, any Managed Care Payor contract, including Medicare Advantage and TennCare, includes these facilities and the professional practice. VMG provides, among the other health care services, both pediatric and adult radiology services and bills for the professional component of the interpretation.

**5. Section A, Project Details, Item 13.A and Section B, Economic Feasibility, Item A (Project Cost Chart).**

Does the \$1,793,906 equipment cost and \$656,305 Service Contract listed in the Project Cost Chart include the following?

1. maintenance agreements, covering the expected useful life of the equipment;
2. federal, state, and local taxes and other government assessments and
3. installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding."

If not, please submit a replacement page and a revised Project Cost Chart that reflects these expenses.

**July 25, 2018**

**3:07 P.M.**

**RESPONSE:** Yes, the above referenced items are included in the application's Project Cost Chart.

**6. Section B, Need. Item D. (Demographics)**

The population data provided does not match with the May 2018 revised population data on the Department of Health's website.

Please update the population data and submit a replacement page.

**Supplemental #1****July 25, 2018****3:07 P.M.**

Demographic Variable/Geographic Area	Department of Health/Health Statistics								Bureau of the Census					TennCare	
	Total Population-  Current Year 2018	Total Population-  Projected Year 2020	Total Population-% Change	*Target Population-  Current Year 2018	*Target Population-  Projected Year 2020	*Target Population-%  Change	Target Population Projected Year as % of Total	Median Age 2016	Median Household  Income 2016	Person Below  Poverty Level	Person Below Poverty Level as % of Total	TennCare Enrollees -  April 2018	TennCare Enrollees as % of Total (April 2018 TennCare enrollees as % of 2016 Total Population)		
Bedford	48,825	50,143	3%	13,626	13,946	2%	28%	36.9	\$ 43,819	7,423	15%	12,550	26%		
Cannon	14,116	14,193	1%	3,155	3,107	-2%	22%	42.1	\$ 43,654	2,208	16%	3,175	22%		
Coffee	55,526	56,374	2%	14,447	14,593	1%	26%	40.1	\$ 45,456	8,437	15%	13,629	25%		
Davidson	700,384	715,491	2%	171,466	177,692	4%	25%	34.2	\$ 50,484	114,238	16%	137,832	20%		
Franklin	41,852	41,998	0%	9,874	9,761	-1%	23%	41.9	\$ 44,837	6,397	15%	7,909	19%		
Lawrence	43,367	43,607	1%	11,551	11,368	-2%	26%	39.9	\$ 40,457	8,136	19%	10,824	25%		
Lewis	11,894	11,881	0%	2,805	2,744	-2%	23%	43.6	\$ 36,920	2,384	20%	2,941	25%		
Lincoln	33,818	33,960	0%	8,046	7,913	-2%	23%	42.9	\$ 41,038	6,123	18%	7,541	22%		
Marshall	32,536	33,131	2%	8,219	8,279	1%	25%	39.6	\$ 44,900	4,655	14%	6,949	21%		
Maury	92,312	94,683	3%	23,408	23,968	2%	25%	39.1	\$ 49,597	12,413	13%	18,224	20%		
Moore	6,364	6,408	1%	1,367	1,350	-1%	21%	46.5	\$ 49,496	644	10%	834	13%		
Putnam	77,417	78,839	2%	19,603	20,043	2%	25%	36.1	\$ 36,350	17,180	22%	17,175	22%		
Rutherford	323,336	338,405	5%	90,017	93,906	4%	28%	32.9	\$ 58,032	35,764	11%	51,831	16%		
Smith	19,718	19,964	1%	4,950	4,940	0%	25%	41.2	\$ 44,272	3,050	15%	4,304	22%		
Warren	40,656	40,773	0%	10,337	10,216	-1%	25%	39.9	\$ 36,245	8,158	20%	11,194	28%		
Wayne	16,669	16,617	0%	3,152	3,064	-3%	18%	41.9	\$ 34,008	2,796	17%	3,285	20%		
Williamson	229,992	241,035	5%	68,215	70,449	3%	29%	39	\$ 100,140	10,547	5%	13,050	6%		
Wilson	137,945	143,007	4%	35,630	36,558	3%	26%	40.3	\$ 63,426	11,266	8%	19,384	14%		
Service Area Total	1,926,727	1,980,509	3%	499,868	513,897	3%	26%	41.3	\$ 43,821	261,819	14%	342,631	18%		
State of TN Total	6,769,368	6,883,347	2%	1,691,396	1,714,039	1%	25%	38.5	\$ 46,574	1,100,169	16%	1,432,475	21%		

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**7. Section B, Need. Item E (Historical MRI Utilization in Applicant's Service Area)**

Please complete the following table for all MRI providers in the applicant's primary and secondary service area:

**RESPONSE:** Please find the requested chart below. In 2017, VUMC performed 69% of the total pediatric procedures in the service area.

# Supplemental #1

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County	Provider Type	Provider	Number of	Fixed or Mobile	2016				2017			
					Pediatric Procedures	Total Procedures	Pediatric Procedures -- Percent of Total Pediatric Procedures	Total Procedures	Pediatric Procedures	Total Procedures	Pediatric Procedures -- Percent of Total Pediatric Procedures	Total Procedures
Bedford	HOSP	Tennova Healthcare - Shelbyville	1	Fixed	31	1,318	0%	0%	24	1,371	0%	0%
Cannon	HOSP	St. Thomas Stones River Hospital	1	Fixed	1	271	0%	0%	-	142	0%	0%
Coffee	HOSP	Tennova Healthcare - Harton	1	Fixed	25	2,280	0%	0%	17	1,912	0%	0%
Coffee	HOSP	Unity Medical Center	2	Fixed	27	2,299	0%	0%	16	1,968	0%	0%
Davidson	ODC	Belle Meade Imaging	1	Fixed	122	2,699	1%	0%	56	2,317	0%	0%
Davidson	PO	Elite Sports Medicine & Orthopaedic Center	2	Fixed	274	6,859	3%	0%	302	8,116	3%	0%
Davidson	PO	Heritage Medical Associates-Murphy Avenue	0.5	Fixed (Shared)	-	1,461	0%	0%	-	1,373	0%	0%
Davidson	ODC	Hillsboro Imaging	1	Fixed	153	3,905	1%	0%	173	3,692	2%	0%
Davidson	ODC	Hughston Clinic Orthopaedics at Harding Place	2	Fixed	25	5,156	0%	0%	24	2,054	0%	0%
Davidson	ODC	Millennium MRI, LLC	0.5	Fixed (Shared)	-	313	0%	0%	-	303	0%	0%
Davidson	ODC	Mobile MRI Services - Briarville	0.2	Mobile (Part)	1	696	0%	0%	3	881	0%	0%
Davidson	HOSP	Nashville General Hospital	1	Fixed	3	1,564	0%	0%	1	1,610	0%	0%
Davidson	ODC	Next Generation Imaging, LLC	0.5	Fixed (Shared)	-	857	0%	0%	2	618	0%	0%
Davidson	H-Imaging	One Hundred Oaks Breast Center	1	Fixed	-	934	0%	0%	-	984	0%	0%
Davidson	ODC	One Hundred Oaks Imaging	2	Fixed	289	8,302	3%	0%	145	8,600	1%	0%
Davidson	ODC	Outpatient Diagnostic Center of Nashville	2	Fixed	127	5,260	1%	0%	92	5,177	1%	0%
Davidson	PO	Pain Management Group, PC	1	Fixed	-	3,680	0%	0%	-	3,370	0%	0%
Davidson	ODC	Premier Radiology Belle Meade	3	Fixed	45	6,930	0%	0%	56	7,617	0%	0%
Davidson	ODC	Premier Radiology Brentwood	1	Fixed	20	2,517	0%	0%	35	2,966	0%	0%
Davidson	ODC	Premier Radiology Hermitage	2	Fixed	34	5,735	0%	0%	78	6,721	1%	0%
Davidson	ODC	Premier Radiology Midtown	2	Fixed	15	4,215	0%	0%	7	4,550	0%	0%
Davidson	ODC	Premier Radiology Nashville	1	Fixed	7	2,165	0%	0%	13	2,886	0%	0%
Davidson	ODC	Premier Radiology St. Thomas West	1	Fixed	7	2,889	0%	0%	4	3,033	0%	0%
Davidson	ODC	Specialty MRI	0.5	Fixed (Shared)	-	799	0%	0%	-	897	0%	0%
Davidson	PO	St. Thomas Medical Partners - Howell Allen Imaging Office	1	Fixed	-	-	0%	0%	-	208	0%	0%
Davidson	HOSP	St. Thomas Midtown Hospital	1	Fixed	8	3,156	0%	0%	10	3,503	0%	0%
Davidson	HOSP	St. Thomas West Hospital	2	Fixed	-	5,962	0%	0%	-	3,156	0%	0%
Davidson	PO	Tennessee Oncology, PET Services	1	Fixed	-	1,595	0%	0%	-	1,508	0%	0%
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	2	Fixed	150	8,150	1%	0%	126	8,607	1%	0%
Davidson	HOSP	TriStar Centennial Medical Center	3	Fixed	667	9,755	6%	0%	657	10,470	6%	0%
Davidson	HOSP	TriStar Skyline Medical Center	2	Fixed	10	7,155	0%	0%	19	7,538	0%	0%
Davidson	HOSP	TriStar Southern Hills Medical Center	1	Fixed	7	2,930	0%	0%	13	2,932	0%	0%
Davidson	HOSP	TriStar Summit Medical Center	1	Fixed	27	4,292	0%	0%	20	4,677	0%	0%
Davidson	HODC	TriStar Summit Medical Center - ODC	0.5	Fixed (Shared)	44	1,954	0%	0%	30	1,773	0%	0%
Davidson	HOSP	Vanderbilt University Medical Center	6	Fixed	6,617	30,797	64%	3%	7,733	32,772	69%	3%
Franklin	HOSP	Southern Tennessee Regional Health System - Winchester	1	Fixed	30	2,260	0%	0%	27	2,087	0%	0%
Franklin	ODC	Summit Open MRI, Inc.	1	Fixed	5	581	0%	0%	7	511	0%	0%
Lawrence	HOSP	Southern Tennessee Regional Health System - Lawrenceburg	1	Fixed	21	1,300	0%	0%	25	1,249	0%	0%
Lewis	H-Imaging	Lewis Health Center	0.2	Mobile (Part)	2	414	0%	0%	4	359	0%	0%
Lincoln	HOSP	Lincoln Medical Center	1	Fixed	15	1,178	0%	0%	14	1,048	0%	0%
Marshall	HOSP	Marshall Medical Center	1	Fixed	22	808	0%	0%	14	662	0%	0%
Maury	HOSP	Maury Regional Medical Center	3	Fixed	138	8,070	1%	0%	96	8,845	1%	0%
Maury	PO	Mid Tennessee Bone and Joint Clinic, PC	1	Fixed	47	2,165	0%	0%	66	2,300	1%	0%
Maury	ODC	Spring Hill Imaging Center (Maury Regional Imaging Ctr)	1	Fixed	146	3,271	1%	0%	112	2,845	1%	0%
Putnam	HOSP	Cookeville Regional Medical Center	1	Fixed	24	4,598	0%	0%	12	3,856	0%	0%
Putnam	H-Imaging	Outpatient Imaging Center at Cookeville Regional	2	Fixed	48	5,251	0%	0%	35	4,004	0%	0%
Putnam	ODC	Premier Diagnostic Imaging, LLC	2	Fixed	10	5,540	0%	0%	53	5,791	0%	0%
Putnam	PO	Upper Cumberland Orthopedic Surgery (Tier 1)	1	Fixed	-	-	0%	0%	16	1,923	0%	0%
Rutherford	ODC	Center for Diagnostic Imaging	1	Fixed	-	5,624	0%	0%	54	5,216	0%	0%
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	1	Fixed	67	2,597	1%	0%	54	2,973	0%	0%
Rutherford	PO	Pain Management Group, The (Murfreesboro)	1	Fixed	-	-	0%	0%	-	477	0%	0%
Rutherford	ODC	Premier Radiology Murfreesboro	2	Fixed	135	7,384	1%	0%	143	7,998	1%	0%
Rutherford	ODC	Premier Radiology Smyrna	2	Fixed	52	4,334	1%	0%	66	4,677	1%	0%
Rutherford	HOSP	St. Thomas Rutherford Hospital	2	Fixed	11	3,306	0%	0%	4	2,070	0%	0%
Rutherford	PO	Tennessee Orthopaedic Alliance Imaging	2	Fixed	195	5,601	2%	0%	200	6,039	2%	0%
Rutherford	HOSP	TriStar Stonecrest Medical Center	1	Fixed	20	3,072	0%	0%	25	2,864	0%	0%
Smith	HOSP	Riverview Regional Medical Center	1	Fixed	8	556	0%	0%	6	469	0%	0%
Warren	HOSP	St. Thomas River Park Hospital	1	Fixed	20	1,790	0%	0%	12	1,051	0%	0%
Wayne	HOSP	Wayne Medical Center	0.4	Mobile (Part)	7	753	0%	0%	7	648	0%	0%
Williamson	ODC	Cool Springs Imaging	1	Fixed	141	4,838	1%	0%	106	4,395	1%	0%
Williamson	ODC	Premier Radiology Cool Springs	2	Fixed	135	4,435	1%	0%	131	5,005	1%	0%
Williamson	PO	Vanderbilt Bone and Joint	1	Fixed	73	2,696	1%	0%	71	3,179	1%	0%
Williamson	HOSP	Williamson Medical Center	1	Fixed	27	4,365	0%	0%	34	3,561	0%	0%
Wilson	PO	Premier Radiology Mt. Juliet	1	Fixed	113	3,962	1%	0%	89	4,252	1%	0%
Wilson	PO	Tennessee Orthopedics, PC	1	Fixed	41	1,383	0%	0%	71	156	1%	0%
Wilson	PO	Tennessee Sports Medicine	2	Fixed	-	1,405	0%	0%	-	-	0%	0%
Wilson	HOSP	Tennova Healthcare - Lebanon	1	Fixed	17	3,158	0%	0%	35	2,521	0%	0%
Total Service Area					10,306	245,545	100%	4%	11,245	243,333	100%	5%



**8. Section B, Need, Item 6 (Applicant's Historical and Projected Utilization)**

Your response to this item is noted. Please complete the following chart:

**RESPONSE:** Please find the chart completed below.

	FY15	FY16	FY17	Yr 1 (2021)	Yr 2 (2022)
VUMC Unit #1*	4,101	4,265	4,909	4,188	4,184
VUMC Unit #2*	4,101	4,265	4,909	4,188	4,184
VUMC Unit #3	-	-	-	2,716	3,280
VUMC Total Scans	8,202	8,530	9,818	11,091	11,647
VUMC Scans/Unit	4,101	4,265	4,909	3,697	3,882
Murfreesboro Unit	-	-	-	1,722	1,733
Total Scans	8,202	8,530	9,818	12,813	13,380
Total Scans/Unit	4,101	4,265	4,909	3,203	3,345

*\*Please note the data in the chart assumes volumes are divided equally between 2 existing units.*

**9. Section B, Economic Feasibility Item A. (Project Costs Chart)**

Are all the costs associated with the MRI equipment including installation of the equipment included in the Project Costs Chart? If not, please make the necessary adjustments.

**RESPONSE:** Yes, all the costs are included in the application's Project Cost Chart.

**10. Section B, Economic Feasibility Item C. (Historical Data Chart)**

Please explain why there are no non-operating expenses allocated to the MRI service, especially depreciation of the MRI units.

**RESPONSE:** The current complement of MRI's, both adult and pediatric, are past their useful life, therefore, there is no depreciation or interest expense in the Historical Data Chart.

Please submit a Historical Data Chart for Vanderbilt University Medical Center in total.

**RESPONSE:** Please find the Historical Data Chart for VUMC below.

## HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency. The fiscal year begins in July (Month).

	2015	2016	2017
Utilization Data (Patient Days)	305,953	309,173	314,379
<b>Revenues from Services to Patients</b>			
Inpatient Services	\$3,357,544,947	\$3,895,270,022	\$4,153,845,366
Outpatient Services	\$3,043,106,365	\$3,668,282,596	\$4,102,657,333
Emergency Services	\$271,179,568	\$273,729,532	\$290,053,002
Other Operating Revenue	\$23,650,047	\$39,131,317	\$38,965,098
Gross Operating Revenue	\$6,695,480,927	\$7,876,413,467	\$8,585,520,799
<b>Deductions from Revenue</b>			
Contractual Adjustments	(4,143,680,213)	(5,067,956,904)	(5,532,929,248)
Provision for Charity Care	(297,840,450)	(268,739,919)	(228,583,935)
Provisions for Bad Debt	(28,094,171)	(56,768,208)	(92,653,896)
Total Deductions	(4,469,614,834)	(5,393,465,031)	(5,854,167,079)
<b>Net Operating Revenue</b>	\$2,225,866,093	\$2,482,948,436	\$2,731,353,720
<b>Operating Expenses</b>			
Salaries and Wages			
a. Direct Patient Care	\$313,972,671	\$318,149,846	\$326,787,644
b. Non-Patient Care	\$268,960,254	\$307,493,692	\$327,657,385
Physician's Salaries and Wages	\$134,390,817	\$149,278,555	\$158,667,282
Supplies	\$537,997,860	\$590,516,375	\$637,444,798
Rent			\$0
a. Paid to Affiliates		\$1,137,208	\$0
b. Paid to Non-Affiliates	\$23,365,060	\$17,765,104	\$22,750,241
Management Fees			\$0
a. Paid to Affiliates			\$0
b. Paid to Non-Affiliates			\$0
Other Operating Expenses	\$622,311,499	\$709,284,026	\$802,001,632
Total Operating Expenses	\$1,900,998,161	\$2,093,624,806	\$2,275,308,982
Earnings Before Interest, Taxes and Depr	\$324,867,932	\$389,323,630	\$456,044,738
<b>Non-Operating Expenses</b>			
Taxes	\$1,398,512	\$1,168,485	\$1,405,978
Depreciation	\$63,755,020	\$61,782,354	\$55,229,794
Interest	\$52,746,873	\$44,013,121	\$33,574,158
Other Non-Operatng Expenses	(30,269,068)	(1,553,366)	(1,011,267)
Total Non-Operating Expenses	\$87,631,337	\$105,410,594	\$89,198,663
Net Income (loss)	\$237,236,595	\$283,913,036	\$366,846,075
<b>Other Deductions</b>			
a. Annual Principal Debt Repayment	\$21,659,698	\$17,851,907	\$3,559,287
b. Annual Capital Expenditures	\$45,618,640	\$51,560,642	\$60,325,910
Total Other Deductions	\$67,278,338	\$69,412,549	\$63,885,197
Net Balance	\$169,958,257	\$214,500,487	\$302,960,878
Depreciation	\$63,755,020	\$61,782,354	\$55,229,794
Free Cash Flow (Net Balance + Depreciation)	\$233,713,277	\$276,282,841	\$358,190,672

General a Report: CON - Certificate of Need

Fringe Benefits

Interest/ Lease

Equipment and Machinery

Laundry and Housekeeping

Plant Operations

Purchased Services

	2015	2016	
\$	264,638,505	\$	317,767,605
\$	165,037,898	\$	187,770,689
\$	-	\$	-
\$	6,875,270	\$	9,484,344
\$	-	\$	-
\$	88,618,676	\$	86,943,388
\$	97,141,150	\$	107,318,000
\$	622,311,499	\$	709,284,026
		\$	802,001,632

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**11. Section B, Economic Feasibility Item D. (Projected Data Chart)**

Please submit a Projected Data Chart for Vanderbilt University Medical Center in total.

**RESPONSE:** Please find the Projected Data Chart for VUMC below.

## PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in July (Month).

	2021	2022
Utilization Data (Patient Days)	373,207	373,207
<u>Revenues from Services to Patients</u>		
Inpatient Services	\$5,066,777,806	\$5,066,777,806
Outpatient Services	\$4,452,564,141	\$4,452,610,209
Emergency Services	\$315,073,196	\$315,073,196
Other Operating Revenue	\$39,999,236	\$39,999,236
Gross Operating Revenue	\$9,874,414,379	\$9,874,460,447
<u>Deductions from Revenue</u>		
Contractual Adjustments	(6,362,550,830)	(6,362,571,597)
Provision for Charity Care	(431,255,968)	(431,256,158)
Provisions for Bad Debt	(64,129,093)	(64,129,262)
Total Deductions	(6,857,935,891)	(6,857,957,017)
<u>Net Operating Revenue</u>	\$3,016,478,488	\$3,016,503,430
<u>Operating Expenses</u>		
Salaries and Wages		
a. Direct Patient Care	\$367,682,718	\$367,691,992
b. Non-Patient Care	\$322,565,920	\$322,565,920
Physician's Salaries and Wages	\$169,100,550	\$169,100,550
Supplies	\$688,558,207	\$688,558,778
Rent	\$0	\$0
a. Paid to Affiliates	\$0	\$0
b. Paid to Non-Affiliates	\$23,730,034	\$23,730,034
Management Fees	\$0	\$0
a. Paid to Affiliates	\$0	\$0
b. Paid to Non-Affiliates	\$0	\$0
Other Operating Expenses	\$988,830,877	\$988,835,624
Total Operating Expenses	\$2,560,468,306	\$2,560,482,898
Earnings Before Interest, Taxes and Depr	\$456,010,182	\$456,020,531
<u>Non-Operating Expenses</u>		
Taxes	\$1,376,034	\$1,376,034
Depreciation	\$75,698,929	\$75,698,929
Interest	\$56,437,980	\$56,437,980
Other Non-Operating Expenses	(653,789)	(653,789)
Total Non-Operating Expenses	\$132,859,154	\$132,859,154
Net Income (loss)	\$323,151,028	\$323,161,377
<u>Other Deductions</u>		
a. Annual Principal Debt Repayment	\$6,271,287	\$6,271,287
b. Annual Capital Expenditures	\$60,325,910	\$60,325,910
Total Other Deductions	\$66,597,197	\$66,597,197
Net Balance	\$256,553,831	\$256,564,180
Depreciation	\$75,672,458	\$75,672,458
Free Cash Flow (Net Balance + Depreciation)	\$332,226,289	\$332,236,638

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	2021	2022
General and Administrative	\$608,964,175	\$608,966,001
Fringe Benefits	\$215,705,096	\$215,707,767
Interest/ Lease	\$0	\$0
Equipment and Machinery	\$22,122,223	\$22,122,223
Laundry and Housekeeping	\$25,500	\$25,500
Plant Operations	\$97,266,858	\$97,266,858
Purchased Services	\$44,747,026	\$44,747,275
	<u>\$ 988,830,877</u>	<u>\$ 988,835,624</u>

**12. Section B, Economic Feasibility Item E.3.**

Your response to this item is noted. Please compare the projected average gross charge per procedure for the project to the Gross Charge/Procedure Range by Quartile for all MRI providers, which can be found in the Applicant's Toolbox on the HSDA website.

**RESPONSE:** By comparing VUMC's data provided in the application in Section B, Economic Feasibility Item 5.C. to the Applicant's Toolbox, By Quartiles, VUMC's Average Charge per Procedure of \$4,205 is less than the 3<sup>rd</sup> quartile \$4,238.86.

**13. Section B, Economic Feasibility Item I.**

Please submit a staffing chart specific to the Murfreesboro site.

**RESPONSE:** The staff for the MRI in Murfreesboro includes 2 MRI technicians, 1 Certified Registered Nurse Anesthetist (CRNA), and 1 Registered Nurse (RN).

**14. Section B, Orderly Development Item B.**

What is the current average waiting time for a pediatric MRI?

**RESPONSE:** MCJCHV measures wait time using the number of days before the 3<sup>rd</sup> available appointment. During the last six months, the wait time for sedated MRIs averages approximately 10 days and the non-sedated MRI wait time continues to be approximately three (3) days. However, it is worth noting that there have been several weeks when the wait time ranged from 15-21 days for sedated MRIs. The wait time calculation includes MRIs being performed on nights and weekends.

Even though VUMC has the only dedicated pediatric MRI service in the service area, there are other providers in the service area providing pediatric MRI services. Please explain why the proposed project will not have a significant negative impact on those providers.

**RESPONSE:** Similar to current practice, the vast majority of MRI procedures completed at MCJCHV are generated from subspecialty visits originating in MCJCHV subspecialty clinics. The proposed MRI will support the practices of the pediatric subspecialists at the Murfreesboro clinics. The incremental growth in MRI procedures will originate from the pediatric patients who need to coordinate imaging services with their subspecialty visits and would be unlikely to schedule MRIs with other providers. In addition, the MRI will be a convenient alternative to pediatric patients from many locations who otherwise would schedule an outpatient MRI and travel to the main campus of MCJCHV.

**15. Section B, Orderly Development Item C.**

Does VUMC currently have vacancies in RN, CRNA, and/or MRI Tech. positions? If yes, how many?

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**RESPONSE:** There are currently no vacancies for the RN or CRNA positions in pediatric MRI; there are two (2) openings in the MRI Tech positions.

**16. Section B, Orderly Development Item 6.A.and B.**

Please include information pertaining to CN1803-012, Option Care Infusion Services, LLC dba Vanderbilt HC/Option Care IV Services since Vanderbilt has an ownership interest.

**RESPONSE:** Please see the updated chart to include CN1803-012 as requested below.

<b>Outstanding Projects</b>					
<b>CON Number</b>	<b>Project Name</b>	<b>Date Approved</b>	<b>*Annual Progress Report(s)</b>		<b>Expiration Date</b>
			<b>Due Date</b>	<b>Date Filed</b>	
CN710-075	Monroe Carell Jr. Children's Hospital at Vanderbilt	1/23/2008	3/1/2017	2/23/2017 **	November 1, 2020
CN1406-021	Vanderbilt University Hospitals	9/24/2014	11/1/2017	10/27/2017 7	November 1, 2020
CN1602-010	Vanderbilt University Medical Center	4/27/2016	6/1/2018	5/8/2018	June 1, 2019
CN1705-016	Vanderbilt University Medical Center	8/23/2017	TBD	TBD	October 1, 2020
CN1803-016	Vanderbilt University Medical Center	6/27/2018	TBD	TBD	TBD
CN1803-012	Walgreens Infusion and Respiratory Services, LLC d/b/a Vanderbilt HC/Walgreens IV & RT Services	6/27/2018	TBD	TBD	TBD

**17. Section B, Orderly Development Item 7.A.and B.**

These items refer to all fixed and mobile equipment owned or leased by the applicant and its satellite facilities. Please provide a revised response to these items.

**RESPONSE:** VUMC does not own, lease, operate or contract with a mobile vendor for Computed Tomography scanner (CT), Linear Accelerator, Magnetic Resonance Imaging (MRI), and/or Positron Emission Tomographer (PET).

VUMC did submit the Medical Equipment Registration to the HSDA on March 6, 2018, for all major medical equipment. The 2017 report is attached.



**July 25, 2018**

**3:07 P.M.**

**Hygrell, Jennifer A**

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**From:** Alecia L. Craighead <Alecia.L.Craighead@tn.gov>  
**Sent:** Tuesday, March 06, 2018 11:57 AM  
**To:** Felts, Ginna; Hygrell, Jennifer A  
**Subject:** Confirmation Final

I have received the updated medical equipment registration for Vanderbilt University Medical Center, Vanderbilt Bone and Joint, and One Hundred Oaks Breast Center. I have also received their utilization by payor source and utilization by county which included the pediatric MRI utilization. With these submissions, you have completed this year's update.

Congratulations! You have survived a crazy year of freezing digits, flying paper balls, and sliding into work just to get this thing called the medical equipment registry reports submitted. I'm very impressed. Now go and find yourself a large hot mug of hot chocolate then a quiet corner to warm up before having to brave the frozen, thawing, frozen, and thawing tundra to really relax at home.

Thank you so very much for all of your help with these.

I hope you have a great and exciting rest of 2018.

Thanks again.

Alecia

Alecia L. Craighead  
HSDA Information and Data Analyst  
Health Services and Development Agency  
Andrew Jackson Building, 9<sup>th</sup> Floor  
502 Deaderick Street  
Nashville, TN 37243  
Office: 615.253.2782  
Fax: 615.741.9884  
[alecia.l.craighead@tn.gov](mailto:alecia.l.craighead@tn.gov)

**July 25, 2018****3:07 P.M.****From:** Do Not Reply [<mailto:donotreply@tha.com>]**Sent:** Wednesday, February 28, 2018 1:31 PM**To:** [alecia.l.craighead@tn.gov](mailto:alecia.l.craighead@tn.gov)**Cc:** Felts, Ginna**Subject:** Equipment Survey - Section 1: Vanderbilt University Hospital**Medical Equipment Utilization Report - Section 1**

Date Submitted: 2/28/2018 1:31:38 PM

**Facility:** Vanderbilt University Hospital (19284) - Davidson**Contact:** Ginna Felts**Phone:** 615-936-6005**Email:** [ginna.rader@vanderbilt.edu](mailto:ginna.rader@vanderbilt.edu)**Reporting Period:** January, 2017 - December, 2017**Equipment Type:** CT (Fixed)**Number of Units:** 10**Mobile Days per Week:**

	Medicare	TennCare / Medicaid	Private / Commercial	Private / Self Pay	Charity Care	Bad Debt	Other	Total
<b>Procedures :</b>	15455	14326	58843	7470	8648	721	0	105463
<b>Gross Charges:</b>	47166394	42828756	184103303	23077697	26729520	2223447	0	326129117

**Equipment Type:** Linear Accelerator**Number of Units:** 4**Mobile Days per Week:**

	Medicare	TennCare / Medicaid	Private / Commercial	Private / Self Pay	Charity Care	Bad Debt	Other	Total
<b>Procedures:</b>	10215	1252	12671	486	1798	137	0	26559
<b>Gross Charges:</b>	28711178	2911056	31009793	1136398	4400413	445427	0	68614265

**Equipment Type:** MRI (Pediatric)**Number of Units:** 2**Mobile Days per Week:**

**Supplemental #1****July 25, 2018****3:07 P.M.**

	Medicare	TennCare / Medicaid	Private / Commercial	Private / Self Pay	Charity Care	Bad Debt	Other	Total
<b>Procedures:</b>	111	3515	3709	85	302	11	0	7733
<b>Gross Charges:</b>	475244	14864761	15891199	364675	1268430	44773	0	32909082

**Equipment Type: MRI (Fixed)**

Number of Units: 6

Mobile Days per Week:

	Medicare	TennCare / Medicaid	Private / Commercial	Private / Self Pay	Charity Care	Bad Debt	Other	Total
<b>Procedures:</b>	7837	6334	15041	671	2721	168	0	32772
<b>Gross Charges:</b>	34491827	27071436	66229229	2772638	11805911	727749	0	143098817

**Equipment Type: PET (Fixed)**

Number of Units: 2

Mobile Days per Week:

	Medicare	TennCare / Medicaid	Private / Commercial	Private / Self Pay	Charity Care	Bad Debt	Other	Total
<b>Procedures:</b>	1377	170	1308	235	199	24	0	3313
<b>Gross Charges:</b>	7897204	1002282	7557982	1457405	1115272	132261	0	19162406

July 25, 2018

3:07 P.M.

**From:** Do Not Reply [<mailto:donotreply@tha.com>]**Sent:** Wednesday, February 28, 2018 2:26 PM**To:** [alecia.l.craighead@tn.gov](mailto:alecia.l.craighead@tn.gov)**Cc:** Felts, Ginna**Subject:** Equipment Survey - Section 2: Utilization by County**Medical Equipment Utilization Report - Section 2**

Date Submitted: 2/28/2018 2:26:18 PM

**Facility:** Vanderbilt University Hospital (19284)**Comments:****Reporting Period:** January, 2017 - December, 2017

County	CT	Linear Accelerator	Cyber Knife	Gamma Knife	MRI	PMRI	PET
Anderson	109	37	0	0	88	24	13
Bedford	1214	284	0	0	341	92	23
Benton	562	57	0	0	122	14	14
Bledsoe	70	0	0	0	25	10	0
Blount	197	71	0	0	86	34	10
Bradley	216	35	0	0	70	17	7
Campbell	51	57	0	0	39	10	4
Cannon	428	79	0	0	125	32	13
Carroll	635	76	0	0	153	39	17
Carter	79	0	0	0	25	2	4
Cheatham	1568	396	0	0	369	74	28
Chester	106	0	0	0	40	8	3
Claiborne	40	0	0	0	24	6	5
Clay	150	44	0	0	42	11	7
Cocke	55	10	0	0	22	2	2
Coffee	1577	300	0	0	411	113	37
Crockett	52	95	0	0	33	13	3
Cumberland	554	114	0	0	205	28	20
Davidson	29706	8551	0	0	6905	1369	548
Decatur	392	12	0	0	80	22	8
DeKalb	485	191	0	0	138	36	7
Dickson	1563	482	0	0	426	102	43
Dyer	123	46	0	0	49	6	5
Fayette	24	0	0	0	12	1	0
Fentress	238	33	0	0	81	22	3
Franklin	894	163	0	0	279	55	31
Gibson	344	93	0	0	143	52	9
Giles	858	111	0	0	232	38	24
Grainger	27	2	0	0	4	0	1
Greene	139	20	0	0	92	18	16
Grundy	155	100	0	0	78	25	8
Hamblen	107	24	0	0	42	10	6

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Hamilton	516	105	0	0	299	93	23
Hancock	3	0	0	0	3	0	0
Hardeman	88	0	0	0	30	2	4
Hardin	297	75	0	0	78	24	9
Hawkins	118	0	0	0	39	3	5
Haywood	93	10	0	0	28	2	5
Henderson	324	106	0	0	97	14	8
Henry	663	279	0	0	178	35	25
Hickman	779	135	0	0	217	60	16
Houston	289	46	0	0	86	7	8
Humphreys	566	38	0	0	126	24	16
Jackson	250	57	0	0	64	16	7
Jefferson	67	0	0	0	29	6	3
Johnson	24	0	0	0	4	1	1
Knox	655	230	0	0	361	121	27
Lake	13	28	0	0	10	8	1
Lauderdale	72	30	0	0	5	2	6
Lawrence	1282	138	0	0	372	98	43
Lewis	337	67	0	0	66	11	10
Lincoln	688	145	0	0	252	69	17
Loudon	88	0	0	0	57	10	6
McMinn	120	0	0	0	47	9	2
McNairy	200	14	0	0	56	11	5
Macon	508	148	0	0	142	37	19
Madison	536	90	0	0	216	37	24
Marion	40	0	0	0	13	7	1
Marshall	991	23	0	0	283	49	30
Maury	2895	301	0	0	956	334	109
Meigs	40	2	0	0	22	2	0
Monroe	87	54	0	0	32	3	3
Montgomery	4733	692	0	0	1949	513	136
Moore	75	9	0	0	20	4	2
Morgan	42	0	0	0	18	9	3
Obion	208	45	0	0	65	7	11
Overton	488	93	0	0	149	25	20
Perry	232	59	0	0	54	14	4
Pickett	100	58	0	0	22	0	6
Polk	38	44	0	0	20	9	0
Putnam	1508	203	0	0	623	165	50
Rhea	81	33	0	0	45	9	6
Roane	161	12	0	0	76	7	7
Robertson	2071	908	0	0	672	177	64
Rutherford	5940	1377	0	0	1908	600	157
Scott	49	35	0	0	20	4	1
Sequatchie	40	2	0	0	26	14	0
Sevier	131	0	0	0	72	18	3
Shelby	559	100	0	0	161	28	29
Smith	615	183	0	0	149	41	13

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Stewart	515	60	0	0	129	26	17
Sullivan	300	131	0	0	154	20	28
Sumner	3601	1455	0	0	1339	398	116
Tipton	56	37	0	0	19	3	1
Trousdale	181	0	0	0	37	10	1
Unicoi	37	0	0	0	8	0	4
Union	12	0	0	0	18	1	2
Van Buren	32	33	0	0	20	6	0
Warren	692	250	0	0	242	84	20
Washington	262	64	0	0	121	21	20
Wayne	517	37	0	0	112	41	15
Weakley	312	42	0	0	99	19	11
White	518	91	0	0	202	60	12
Williamson	5635	1180	0	0	2013	433	235
Wilson	3255	1398	0	0	1095	272	101

**18. Section B, Quality Measures**

**Please verify and acknowledge the applicant will be evaluated annually whether the proposal will provide health care that meets appropriate quality standards upon the following factors:**

(3) Quality. Whether the proposal will provide health care that meets appropriate quality standards may be evaluated upon the following factors:

- (a) Whether the applicant commits to maintaining staffing comparable to the staffing chart presented in its CON application;

**RESPONSE: VUMC commits to maintaining a staffing pattern comparable to the staffing chart in the CON application.**

- (b) Whether the applicant will obtain and maintain all applicable state licenses in good standing;

**RESPONSE: As part of VUMC, MCJCHV is licensed by the State of Tennessee, Department of Health Facilities; VUMC will maintain its license in good standing.**

- (c) Whether the applicant will obtain and maintain TennCare and Medicare certification(s), if participation in such programs was indicated in the application;

**RESPONSE: VUMC is TennCare and Medicare certified and such certifications will be maintained**

- (d) Whether an existing healthcare institution applying for a CON has maintained substantial compliance with applicable federal and state regulation for the three years prior to the CON application. In the event of non-compliance, the nature of non-compliance and corrective action shall be considered;

**RESPONSE: VUMC has maintained substantial compliance with applicable federal and state regulation for the last three years.**

- (e) Whether an existing health care institution applying for a CON has been decertified within the prior three years. This provision shall not apply if a new, unrelated owner applies for a CON related to a previously decertified facility;

**RESPONSE: VUMC has never been decertified**

- (f) Whether the applicant will participate, within 2 years of implementation of the project, in self-assessment and external assessment against nationally available

benchmark data to accurately assess its level of performance in relation to established standards and to implement ways to continuously improve.

1. This may include accreditation by any organization approved by Centers for Medicare and Medicaid Services (CMS) and other nationally recognized programs. The Joint Commission or its successor, for example, would be acceptable if applicable. Other acceptable accrediting organizations may include, but are not limited to, the following:

American College of Radiology, for Positron Emission Tomography, Magnetic Resonance Imaging and Outpatient Diagnostic Center projects;

**RESPONSE:** VUMC is accredited by the Joint Commission, and such accreditation will be maintained.



# Supplemental #2 (Original)

Vanderbilt University  
Medical Center

CN1807-030

July 30, 2018

9:59 A.M.

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF Davidson

NAME OF FACILITY: Vanderbilt University Medical Center

I, C. Wright Purson, after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete.

C. Wright Purson  
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 30<sup>th</sup> day of July, 2018, witness my hand at office in the County of Davidson, State of Tennessee.

Amada L. Bright  
NOTARY PUBLIC

My commission expires 11/5, 2018.

HF-0043

Revised 7/02



**1. Section B, Need. Item E (Historical MRI Utilization in Applicant's Service Area)**

Your response to this item is noted but not all the information provided is being presented as requested. Please also arrange the information by primary and secondary service area with sub-totals for each. If the applicant wishes to add columns that display the pediatric scans at a facility as a total of pediatric scans performed in the service area that is fine to do as well. See the example information below:

**RESPONSE:** Please see the revised chart on the following page.

County	Provider Type	Provider	2016 Pediatric MRI Scans	2016 Total MRI Scans	% Pediatric Scans as a % of Total	2017 Pediatric MRI Scans	2017 Total MRI Scans	% Pediatric Scans as a % of Total	'16-'17 Pediatric Change	'16-'17 Total % Change
Bedford	HOSP	Tennova Healthcare - Shelbyville	31	1,318	2.4%	24	1,371	1.8%	-22.6%	4.0%
Cannon	HOSP	St. Thomas Stones River Hospital	1	271	0.4%	-	142	0.0%	-100.0%	-47.6%
Coffee	HOSP	Tennova Healthcare - Harton	25	2,280	1.1%	17	1,912	0.9%	-32.0%	-16.1%
Coffee	HOSP	Unity Medical Center	27	2,299	1.2%	16	1,968	0.8%	-40.7%	-14.4%
Franklin	HOSP	Southern Tennessee Regional Health System - Winchester	30	2,260	1.3%	27	2,087	1.3%	-10.0%	-7.7%
Franklin	ODC	Summit Open MRI, Inc.	5	581	0.9%	7	511	1.4%	40.0%	-12.0%
Rutherford	ODC	Center for Diagnostic Imaging	-	5,624	0.0%	54	5,216	1.0%	#DIV/0!	-7.3%
Rutherford	PO	Murfreesboro Medical Clinic-Garrison Drive	67	2,597	2.6%	54	2,973	1.8%	-19.4%	14.5%
Rutherford	PO	Pain Management Group, The (Murfreesboro)	-	-	#DIV/0!	-	477	0.0%	#DIV/0!	#DIV/0!
Rutherford	ODC	Premier Radiology Murfreesboro	135	7,384	1.8%	143	7,998	1.8%	5.9%	8.3%
Rutherford	ODC	Premier Radiology Smyrna	52	4,334	1.2%	66	4,677	1.4%	26.9%	7.9%
Rutherford	HOSP	St. Thomas Rutherford Hospital	11	3,306	0.3%	4	2,070	0.2%	-63.6%	-37.4%
Rutherford	PO	Tennessee Orthopaedic Alliance Imaging	195	5,601	3.5%	200	6,039	3.3%	2.6%	7.8%
Rutherford	HOSP	TriStar Stonecrest Medical Center	20	3,072	0.7%	25	2,864	0.9%	25.0%	-6.8%
Warren	HOSP	St. Thomas River Park Hospital	20	1,790	1.1%	12	1,051	1.1%	-40.0%	-41.3%
<b>Primary Service Area Sub-Total</b>			<b>619</b>	<b>42,717</b>	<b>1.4%</b>	<b>649</b>	<b>41,356</b>	<b>1.6%</b>	<b>4.8%</b>	<b>-3.2%</b>
Davidson	ODC	Belle Meade Imaging	122	2,699	4.5%	56	2,317	2.4%	-54.1%	-14.2%
Davidson	PO	Elite Sports Medicine & Orthopaedic Center	274	6,859	4.0%	302	8,116	3.7%	10.2%	18.3%
Davidson	PO	Heritage Medical Associates-Murphy Avenue	-	1,461	0.0%	-	1,373	0.0%	#DIV/0!	-6.0%
Davidson	ODC	Hillsboro Imaging	153	3,905	3.9%	173	3,692	4.7%	13.1%	-5.5%
Davidson	ODC	Hughston Clinic Orthopaedics at Harding Place	25	5,156	0.5%	24	2,054	1.2%	-4.0%	-60.2%
Davidson	ODC	Millennium MRI, LLC	-	313	0.0%	-	303	0.0%	#DIV/0!	-3.2%
Davidson	ODC	Mobile MRI Services - Briarville	1	696	0.1%	3	881	0.3%	200.0%	26.6%
Davidson	HOSP	Nashville General Hospital	3	1,564	0.2%	1	1,610	0.1%	-66.7%	2.9%
Davidson	ODC	Next Generation Imaging, LLC	-	857	0.0%	2	618	0.3%	#DIV/0!	-27.9%
Davidson	H-Imaging	One Hundred Oaks Breast Center	-	934	0.0%	-	984	0.0%	#DIV/0!	5.4%
Davidson	ODC	One Hundred Oaks Imaging	289	8,302	3.5%	145	8,600	1.7%	-49.8%	3.6%
Davidson	ODC	Outpatient Diagnostic Center of Nashville	127	5,260	2.4%	92	5,177	1.8%	-27.6%	-1.6%
Davidson	PO	Pain Management Group, PC	-	3,680	0.0%	-	3,370	0.0%	#DIV/0!	-8.4%
Davidson	ODC	Premier Radiology Belle Meade	45	6,930	0.6%	56	7,617	0.7%	24.4%	9.9%
Davidson	ODC	Premier Radiology Brentwood	20	2,517	0.8%	35	2,966	1.2%	75.0%	17.8%
Davidson	ODC	Premier Radiology Hermitage	34	5,735	0.6%	78	6,721	1.2%	129.4%	17.2%
Davidson	ODC	Premier Radiology Midtown	15	4,215	0.4%	7	4,550	0.2%	-53.3%	7.9%
Davidson	ODC	Premier Radiology Nashville	7	2,165	0.3%	13	2,886	0.5%	85.7%	33.3%
Davidson	ODC	Premier Radiology St. Thomas West	7	2,889	0.2%	4	3,033	0.1%	-42.9%	5.0%
Davidson	ODC	Specialty MRI	-	799	0.0%	-	897	0.0%	#DIV/0!	12.3%
Davidson	PO	St. Thomas Medical Partners - Howell Allen Imaging Office	-	-	#DIV/0!	-	208	0.0%	#DIV/0!	#DIV/0!
Davidson	HOSP	St. Thomas Midtown Hospital	8	3,156	0.3%	10	3,503	0.3%	25.0%	11.0%
Davidson	HOSP	St. Thomas West Hospital	-	5,962	0.0%	-	3,156	0.0%	#DIV/0!	-47.1%
Davidson	PO	Tennessee Oncology, PET Services	-	1,595	0.0%	-	1,508	0.0%	#DIV/0!	-5.5%
Davidson	PO	Tennessee Orthopaedic Alliance Imaging	150	8,150	1.8%	126	8,607	1.5%	-16.0%	5.6%
Davidson	HOSP	TriStar Centennial Medical Center	667	9,755	6.8%	657	10,470	6.3%	-1.5%	7.3%
Davidson	HOSP	TriStar Skyline Medical Center	10	7,155	0.1%	19	7,538	0.3%	90.0%	5.4%
Davidson	HOSP	TriStar Southern Hills Medical Center	7	2,930	0.2%	13	2,932	0.4%	85.7%	0.1%
Davidson	HOSP	TriStar Summit Medical Center	27	4,292	0.6%	20	4,677	0.4%	-25.9%	9.0%
Davidson	ODC	TriStar Summit Medical Center - ODC	44	1,954	2.3%	30	1,773	1.7%	-31.8%	-9.3%
Davidson	HOSP	Vanderbilt University Medical Center	6,617	30,797	21.5%	7,733	32,772	23.6%	16.9%	6.4%
Lawrence	HOSP	Southern Tennessee Regional Health System - Lawrenceburg	21	1,300	1.6%	25	1,249	2.0%	19.0%	-3.9%
Lewis	H-Imaging	Lewis Health Center	2	414	0.5%	4	359	1.1%	100.0%	-13.3%
Lincoln	HOSP	Lincoln Medical Center	15	1,178	1.3%	14	1,048	1.3%	-6.7%	-11.0%
Marshall	HOSP	Marshall Medical Center	22	808	2.7%	14	662	2.1%	-36.4%	-18.1%
Maury	HOSP	Maury Regional Medical Center	138	8,070	1.7%	96	8,845	1.1%	-30.4%	9.6%
Maury	PO	Mid Tennessee Bone and Joint Clinic, PC	47	2,165	2.2%	66	2,300	2.9%	40.4%	6.2%
Maury	ODC	Spring Hill Imaging Center (Maury Regional Imaging Ctr)	146	3,271	4.5%	112	2,845	3.9%	-23.3%	-13.0%
Putnam	HOSP	Cookeville Regional Medical Center	24	4,598	0.5%	12	3,856	0.3%	-50.0%	-16.1%
Putnam	H-Imaging	Outpatient Imaging Center at Cookeville Regional	48	5,251	0.9%	35	4,004	0.9%	-27.1%	-23.7%
Putnam	ODC	Premier Diagnostic Imaging, LLC	10	5,540	0.2%	53	5,791	0.9%	430.0%	4.5%
Putnam	PO	Upper Cumberland Orthopedic Surgery (Tier 1)	-	-	#DIV/0!	16	1,923	0.8%	#DIV/0!	#DIV/0!
Smith	HOSP	Riverview Regional Medical Center	8	556	1.4%	6	469	1.3%	-25.0%	-15.6%
Wayne	HOSP	Wayne Medical Center	7	753	0.9%	7	648	1.1%	0.0%	-13.9%
Williamson	ODC	Cool Springs Imaging	141	4,838	2.9%	106	4,395	2.4%	-24.8%	-9.2%
Williamson	ODC	Premier Radiology Cool Springs	135	4,435	3.0%	131	5,005	2.6%	-3.0%	12.9%
Williamson	PO	Vanderbilt Bone and Joint	73	2,696	2.7%	71	3,179	2.2%	-2.7%	17.9%
Williamson	HOSP	Williamson Medical Center	27	4,365	0.6%	34	3,561	1.0%	25.9%	-18.4%
Wilson	PO	Premier Radiology Mt. Juliet	113	3,962	2.9%	89	4,252	2.1%	-21.2%	7.3%
Wilson	PO	Tennessee Orthopedics, PC	41	1,383	3.0%	71	156	45.5%	73.2%	-88.7%
Wilson	PO	Tennessee Sports Medicine	-	1,405	0.0%	-	-	#DIV/0!	#DIV/0!	-100.0%
Wilson	HOSP	Tennova Healthcare - Lebanon	17	3,158	0.5%	35	2,521	1.4%	105.9%	-20.2%
<b>Secondary Service Area Sub-Total</b>			<b>9,687</b>	<b>202,828</b>	<b>4.8%</b>	<b>10,596</b>	<b>201,977</b>	<b>5.2%</b>	<b>9.4%</b>	<b>-0.4%</b>
<b>Total Service Area</b>			<b>10,306</b>	<b>245,545</b>	<b>4.2%</b>	<b>11,245</b>	<b>243,333</b>	<b>4.6%</b>	<b>9.1%</b>	<b>-0.9%</b>

**2. Section B, Need, Item 6 (Applicant's Historical and Projected Utilization)**

Your response to this item is noted. Is the decline in utilization projected for Units #1 and #2 a function of Unit #3 and the Murfreesboro unit initiating operation?

**RESPONSE:** The utilization for the existing MRIs at Children's will be redistributed to the 3<sup>rd</sup> MRI and to the Murfreesboro MRI. By providing both additional MRIs, MRI procedures will be scheduled in a timely manner both on campus as well as the proposed MRI in Murfreesboro.

**3. Section B, Economic Feasibility Item C. (Historical Data Chart) and Item D. (Projected Data Chart)**

Please explain why there are negative values for "Other Non-Operating Expenses" in the Total Facility Historical and Projected Data Charts.

**RESPONSE:** Since there is only one-line item that appears to be for "non-operating activity," VUMC combined non-operating revenues and expenses on this line item in the prescribed format.

**4. Section B, Economic Feasibility Item E.3.**

Your response to this item is noted. According to page 31 of the original application the average gross charge per procedure for the project is \$4,262 which is above the 3<sup>rd</sup> quartile. Please submit a revised response.

**RESPONSE:** By comparing VUMC's data provided in the application in Section B, Economic Feasibility Item 5.C. to the Applicant's Toolbox, By Quartiles, VUMC's Average Charge per Procedure of \$4,262 proposed in the application is slightly higher than the 3<sup>rd</sup> quartile \$4,238.86 for MRI reported in July 2017.